

**A market-based approach towards supporting
entrepreneurship in developing countries:
Assessing the business accelerator model in Egypt**

**Thesis submitted in accordance with the requirements of the
University of Liverpool for the degree of Doctor of Business**

Administration

By Walid M. Eid

Supervisors: Dr. Caroline Ramsey

Professor Ossie Jones

Faculty of Humanities and Social Sciences

April 2016

Table of Contents

Chapter 01 Introduction	5
1.1: Research Background	5
1.2: Defining Entrepreneurship	6
1.3: Research aims and objectives	9
1.4: Conclusions	10
Chapter 02 Literature review	12
2.1: History of entrepreneurship	12
2.2: Types of entrepreneurship	16
2.3: Entrepreneurship according to economic levels	17
2.4: Entrepreneurship and public policy	18
2.5: Entrepreneurship and economic performance	19
2.6: Economic levels and entrepreneurship	22
2.7: Entrepreneurship models and frameworks	26
2.8: Entrepreneurial models according to comparable data across different countries	34
2.9: The role of non-governmental organisations (NGOs) and the private sector in promoting entrepreneurship	39
2.10: The evolvement of incubators and accelerators	44
2.11: Conclusions	48
Chapter 03 Research Design and Methodology	50
3.1: Introduction	50
3.2: Entrepreneurship support through NGOs	52
3.3: Research Methodology	56
3.4: Sampling and Research participants	61
3.5: Methods of data collection, analysis and representation	65
3.6: Conclusions	67
Chapter 04 Data Collection and Analysis	69
4.1: Introduction	69
4.2: About the accelerator (Flat6labs)	69
4.3: The interview questions and process	72
4.4: Data analysis from institutional and entrepreneurial perspective	77
4.4.1: Influence to start a business	77
4.4.2: Starting through an accelerator	83
4.4.3: Perceived challenges to starting a business	88
4.4.4: Overcoming challenges through an accelerator	92
4.4.5: Advantages and disadvantages of the accelerator	95
4.4.6: Recommending startup accelerator from sponsored entrepreneurs	102
4.4.7: Real experience versus expectations	103

4.5: Summary	105
<i>Chapter 5 Discussion</i>	<i>110</i>
5.1: Introduction	110
5.2: Motivation to start a business	114
5.3: Business accelerators as an engine to entrepreneurship development: deciding to start a business through an accelerator	120
5.4: Accelerators and entrepreneurial challenges	123
5.5: Advantages and Disadvantages of Accelerators	127
5.6: Conclusions	130
<i>Chapter 6 Review of Findings and Conclusions</i>	<i>134</i>
6.1: Introduction	134
6.2: Research overview	134
6.3: Key findings	136
6.4: Research Implications	140
6.4.1: Implications for potential opportunity entrepreneurs	141
6.4.2: Implications for accelerators	142
6.4.3: Implications for investors	144
6.4.4: Implications for policy makers	144
6.4.5: Implications for scholars	145
6.5: Limitations of the research	146
6.6: Future research	147
<i>Chapter 7 Reflections of the scholar-practitioner</i>	<i>148</i>
7.1: Introduction	148
7.2: Constructing	149
7.3: Planning Action	150
7.4: Taking Action	150
7.5: Evaluation	151
7.6: Conclusion	152
<i>References</i>	<i>153</i>

List of Tables

	Page
TABLE 1: SUMMARY OF INTERVIEWS	75
TABLE 2: PARTICIPANTS' PROFILE	78
TABLE 3: INFLUENCE TO START A BUSINESS	82
TABLE 4: DECIDING TO START THROUGH AN ACCELERATOR	87
TABLE 5: PERCEIVED CHALLENGES PRIOR STARTING A BUSINESS	91
TABLE 6: OVERCOMING CHALLENGES THROUGH A STARTUP ACCELERATOR	94
TABLE 7: ADVANTAGES AND DISADVANTAGES OF THE ACCELERATOR	100
TABLE 8: RECOMMENDING AN ACCELERATOR	104
TABLE 9: EXPERIENCE VERSUS EXPECTATIONS	107

List of Figures

	Page
FIGURE 2.1: TIMMONS' MODEL OF ENTREPRENEURIAL PROCESS	28
FIGURE 2.2: SHANE'S MODEL OF THE ENTREPRENEURIAL PROCESS	28
FIGURE 2.3: MOT CONCEPTUAL MODEL OF THE INTERACTION OF GARTNER'S OPPORTUNITY-BASED APPROACH TO ENTREPRENEURSHIP	30
FIGURE 2.4: OYSON AND WHITTAKER'S ENTREPRENEURIAL OPPORTUNITY FORMATION QUADRANT	31
FIGURE 2.5: MOORE'S ENTREPRENEURIAL BEHAVIOUR MODEL	32
FIGURE 2.6: FERREIRA ET AL'S (2012) MODEL OF ENTREPRENEURIAL INTENTION	33
FIGURE 2.7: ENTREPRENEURIAL BEHAVIOUR MODEL (MISRA AND KUMAR 2000)	34
FIGURE 2.8: BABSON ENTREPRENEURSHIP ECOSYSTEM PROJECT	39
FIGURE 2.9: FINANCING BASED ON COMPANY'S DEVELOPMENT	43
FIGURE 4.1: FLAT6LABS SERVICES	69
FIGURE 4.2: FLAT6LABS ACCELERATION PROCESS	72
FIGURE 6.1: THE ACCELERATOR'S MODEL ENCOURAGING INDIVIDUALS TO ACT ENTREPRENEURIAL	143

Abstract

This research aims at exploring the accelerator business model in Egypt, a developing country, and its role as a for-profit organisation in empowering and strengthening opportunity entrepreneurs. After selecting an accelerator for the study, interviews were conducted to demonstrate how the business model operates. Six entrepreneurs that were sponsored by the accelerator were selected according to the nomination of the accelerator. A series of in-depth semi-structured interviews were conducted with the six participant entrepreneurs to gain an understanding about the benefits of being sponsored by the accelerator. In addition, a non-governmental organization was selected to explore how the accelerator model, a for-profit organisation, represents a new and different pathway in promoting opportunity entrepreneurship other than other traditional forms of support.

Chapter 01

Introduction

1.1: Research Background

As an entrepreneur and a member of the business community in Egypt since 1995, I have engaged in several programmes with different business development non-governmental organizations (NGOs) aimed at strengthening the role of the private sector in Egypt. I found a strong personal interest in programmes that were focused primarily on entrepreneurship development in Egypt. Through engaging actively in some initiatives with the sponsorship of international NGOs and funding bodies, I have obtained better insight into the challenges and obstacles that face entrepreneurs in Egypt. I also better understand the various challenges to entrepreneurship around the globe in developing and developed countries.

My interest in entrepreneurship has been further extended by becoming one of the founders of Entrepreneur's Business Forum (EBF), an Egyptian based NGO established in 2006 and aimed at supporting potential and existing opportunity entrepreneurs. Through the EBF we were able to establish better contacts with entrepreneurs, government officials, and non-governmental bodies. As a consequence, I realized how the government in Egypt believes in the positive impact of promoting entrepreneurship but at the same time lacks the capabilities and resources required to successfully promote entrepreneurship development.

Business development and growth programmes are top of every country's priorities due to their important and significant impact on national economic development. Therefore, governments attempt to strengthen their country's economic performance through the implementation of programmes aimed at improving business growth and development rates. Due to the positive impact that entrepreneurship brings to nations worldwide in

terms of economic growth and development, the study of entrepreneurship has attracted the attention of scholars attempting to explore the phenomenon in each country as well as successes and failures of national policies (see Acs, Szerb, and Autio 2015)

All current entrepreneurship development models consider the role of multiple actors, whether governmental or non-governmental, as well as the effective and efficient utilization of financial and non-financial tools. The role of government in entrepreneurship development cannot be neglected, where government is responsible for the planning and execution of the legal and regulatory frameworks and policies that will be efficient in successful development of entrepreneurship. But as governments in developing countries are more concerned with the implementation of national projects and physical infrastructure (see GEM 2014 and Isenberg 2010), this research aims at exploring how the private sector could take the lead in entrepreneurship development in developing countries where there are many challenges and obstacles.

Prior to discussing the research aims and objectives, in terms how the private sector can lead the development of entrepreneurship, we will briefly demonstrate how the term of entrepreneurship has been defined from different perspective in the literature, the types of entrepreneurship, links between entrepreneurship and different stages of economic development, and relationships between entrepreneurship development and the government public policy.

1.2: Defining Entrepreneurship

The first author who attempted to define entrepreneurship in the literature was Richard Cantillon in 1755, where the entrepreneur was viewed as an agent who acquires the means of production at a certain prices and combined those means of production to form a final product to sell them to make a profit. Further to Cantillon's (1755) definitions, Say (1803) described the entrepreneur as an agent that generates profits by

uniting the means of production to produce a product in order to sell it. Schumpeter (1934), one of the acknowledged leading authors in entrepreneurship was the first to associate the entrepreneurial process with innovation. He defined entrepreneurs as innovators who are challenged by the status-quo of existing products or services, by which they introduce new products and services to the market in innovative and creative ways. For McClelland (1961) risk taking was one of the main elements in defining entrepreneurs, where entrepreneurs were defined as energetic and risk-taking people with high need for achievement. For Drucker (1985), entrepreneurs were defined based on their intentions and desires to constantly look for change by responding, reacting, and taking advantage of unexploited market opportunities in a creative and innovative ways.

According to Kilby (1971), entrepreneurs are viewed as imitators who replicate a technology or business idea developed by other people and implement those ideas in a different place or market. Even though Kilby (1971) considers innovation and creativity implementation as essential elements of entrepreneurship, it is limited to imitation as a sort of technological or knowledge transfer from a developed to a developing market. For Shapero (1975), entrepreneurs are defined as individuals with an internal locus of control that are capable and willing to take risks and accept failures while taking initiatives to start new businesses. One of the widely acknowledged definitions of entrepreneurship by Stevenson (1983) is as follows: "...The pursuit of opportunity without regard to resources currently controlled...". For Gartner (1988), entrepreneurship was defined as those individuals who start businesses that never existed. In this definition the term 'never existed' reflects the newness, innovation, and creativity of the business to the market. For Pinchot (1985), innovation and creativity was not only associated with people who start new businesses. He used the term

intrapreneur to refer to entrepreneurial attitude to define the innovative and creative ideas that come from individuals within organisations.

In addition to the various definitions, many organisations (OECD, GEM) and scholars that are focused on studying the fields of entrepreneurship and entrepreneurial activities have contributed to entrepreneurship definitions from different perspectives, for instance: the National Association for Community College of Entrepreneurship, and Babson College - the initiator of the Global Entrepreneurship Monitor Report- defined entrepreneurship as being associated with exploring unexploited opportunities. From a different perspective, the Organization of Economic Cooperation and Development (OECD), and the Kauffman Panel on Entrepreneurship defined entrepreneurship as the starting of a new venture based on innovative and creative ideas, while taking risk and operating in uncertain market conditions while taking the initiative of starting a new business (Knight 1921, Drucker 1985, Kirzner 1973).

Further to the many and various perspectives on entrepreneurship, and while taking into consideration the absence of a standard acknowledged definition in the literature, many have attempted to classify entrepreneurs and entrepreneurship according to the personal attributes and characteristics of the entrepreneur (see McClelland, 1961). Other studies attempted to explore entrepreneurship based on business growth and development ratios, while others have neglected the role of the individuals or entrepreneurs, and focused on studying the entrepreneurship in terms of the business type and sector in which the business operates. Presenting the different views, perspectives, and variety of definitions and classifications in the literature aims at demonstrating the gaps and challenges that exist in entrepreneurship research.

1.3: Research aims and objectives

Through several years' experience in Egypt, participating in promoting different initiatives, I realized that overcoming entrepreneurship development challenges especially in developing countries is beyond the capabilities of individual organizations, whether governmental or non-governmental. Addressing the challenges to entrepreneurship demands an extensive review of all the relevant legislation, laws, legal infrastructure, and regulatory frameworks which requires the involvement of many government decision makers. Consequently, making the necessary institutional changes for the purpose of entrepreneurship development will be very complicated and may result in conflict which creates market instability.

This research aims to explore the accelerator business initiative, which is relatively new form of organization that started in 2010 as a new engine of entrepreneurship development. The accelerator model, as will be demonstrated later, is a private for-profit organization that selects and identifies potential opportunity entrepreneurs that have promising business ideas. Those selected entrepreneurs are provided with seed capital in the form of a partnership, provided with office space and other support from experienced entrepreneurs. Through studying how the selected entrepreneurs were sponsored by the accelerator, the research aims to demonstrate how this market-based approach could be an important gateway to successful entrepreneurship in developing countries.

Relying on the accelerator as an engine of entrepreneurship in developing countries does not mean that government involvement is unimportant. We suggest that government officials would have more impact by enhancing the legal and regulatory frameworks as well as maintaining close relationships with business accelerators. This would make the best use of experienced entrepreneurs who will pass on their skills, knowledge and capabilities to less experienced nascent entrepreneurs. Furthermore,

there are many issues that cannot be investigated when conducting research in a developing country such as corruption and other political issues. Hence, the research will avoid tackling any issues related to the government when exploring entrepreneurship development in Egypt.

An extensive review of the literature will be presented in the next chapter with the aim of demonstrating the different views and perspectives on entrepreneurship, entrepreneurial activity, the entrepreneur, and the some of the most important entrepreneurship models. The aim of discussing various these models and perspectives is to show that despite extensive research programmes in developed and developing countries there is still little agreement about the factors which promote successful entrepreneurship (see Landstrom et al., 2012).

1.4: Conclusions

While the importance of entrepreneurship for both economic growth and development has been widely recognised by many countries worldwide, research on entrepreneurship has not led to a standard definition nor a standard model that could be adopted towards taking advantage of its impacts on economic growth and development. All the successful models vary according to each country's level of economic development and circumstances. According to Isenberg (2010), they can only be viewed as best practice and success stories. As the research aims at exploring the entrepreneurial experience of opportunity entrepreneurs who decide to start their own business for the pursuit of an opportunity through a startup accelerator, a new for-profit model for promoting entrepreneurship, the research will follow the entrepreneurship definition of Stevenson (1983), Shapero (1975), and Schumpeter (1934), and these definitions captures more the opportunity entrepreneurship type and not the necessity.

While governments in developing countries realize the importance of entrepreneurship, they pay more attention to the development of physical infrastructures and the implementation of national projects (see Isenberg 2010 and GEM 2014). Business accelerators, as private for-profit organisations will be better able to take the lead in entrepreneurship development for three main reasons; first they are formally partners in the business with entrepreneurs and therefore they will participate actively in business management while being backed up by their skills, knowledge, and experience; second, they have access to government officials through business associations by which they can report entrepreneurial challenges; and third they will be able to identify and propose solutions to government officials to overcome entrepreneurial challenges successfully.

In the next chapter, the literature review, a more in-depth review will be conducted to explore the difference between necessity and opportunity driven entrepreneurship; the relationship between entrepreneurship and economic growth and development in developing countries; the difference between economic growth and development in terms of measurement and assessment; and to differentiate between the public policy factors that affects entrepreneurship promotion and development, and the non-traditional and market dynamic factors such as angel investors, venture capitalists, non-governmental organisations, incubators, business accelerators, and other market engines that affect entrepreneurship development and promotion.

Chapter 02

Literature review

2.1: History of entrepreneurship

The literature review will explore previous theories of entrepreneurship and various definitions of entrepreneurship and entrepreneurial activities. Furthermore, this section will explore how entrepreneurship can affect economic performance, in terms of growth and development, and how differences in economic levels affect the policies and frameworks of entrepreneurship. This section will demonstrate various entrepreneurship models, whether individual-based or those which compare entrepreneurial activities across different regions. Finally, we will explore the literature about the market-based tools that have been widely used to foster entrepreneurship in developed and developing countries.

The various definitions produced by many studies have not led to standardised definitions of entrepreneurship or the entrepreneurial process. This was mainly due to the different views put forward in the literature, including starting a business that is associated with risk and uncertainty (Knight 1921); introducing and carrying out new combinations (Schumpeter 1934); the creation of new ventures or businesses (Vesper 1990, Rumlet 1987, Gartner 1985); willingness of the individual to always explore and search for new opportunities (Stevenson, Robert, and Grousbeck 1985); people that bring together the factors of production (Say 1803); innovative organisers (Schumpeter 1942); creating and maintaining profit-oriented ventures (Cole 1968); and individual behaviour in entrepreneurial activities (Gartner 1989).

Furthermore, the different views of entrepreneurship were unable to provide an in-depth understanding of the process of entrepreneurship, and whether it is based on the entrepreneur, or the business activity that is carried out. That is why there is often

conflict when differentiating between entrepreneurship and owner-managers, and whether policies should be the same or different for each. As discussed by Daren et al. (2009), even though both owner-managers and entrepreneurs create new businesses, the distinction between them is based on higher levels of innovation and creativity associated with entrepreneurs. This confirms the Schumpeter's (1934) view that commitment to innovation distinguishes entrepreneurs from owners/managers. However, based on a study of eight well-established small companies Jones and Crompton (2009) concluded that the traditional distinction between owners-managers and entrepreneurs was being replaced by an approach they describe as 'authentic entrepreneurial leadership'.

On the other hand, most definitions seem to agree on four main points about entrepreneurship, which are: the activities carried out at the start of a new business; the innovation and creativity associated with entrepreneurial activity; the uncertainty that challenges an entrepreneur when starting a new business; and the impact of entrepreneurship on both economic growth and development (Knight 1921, Kirzner 1973, Drucker 1985, Schumpeter 1934). While entrepreneurship for Enuoh et al. (2009) is viewed as a creative and innovative process of managing enterprises while assuming the risk associated, Hisrich and Peters (2002) view entrepreneurship as the process of creating something new while assuming the rewards and risks. Based on these views, Enuoh et al. (2009) identified four main aspects of entrepreneurship which are: the process of creating something new, entrepreneurship requires time and effort, associated risk, and the rewards in terms of high profit and growth.

In most studies in different economic contexts, (GEM 2014, Ahmad and Hoffman 2007), entrepreneurship has been explored through the motives of entrepreneurs starting their own businesses. According to the GEM (2014) and OECD as reported by Ahmad and Hoffman (2007), there are two main types of entrepreneurship: necessity

and opportunity. Necessity entrepreneurs start their own businesses primarily due to the absence of any better employment option (Shane 2003, GEM 2014). As illustrated by the GEM (2014) and OECD (Ahmad and Hoffman 2007), necessity entrepreneurs usually operate in very traditional market sectors with limited growth potential. On the other hand, opportunity entrepreneurs seek to take advantage of clear gaps in the market. As demonstrated by the GEM (2014) and OECD (Ahmad and Hoffman 2007), businesses created by opportunity entrepreneurs are usually associated with high levels of innovation, meaning that they always bear risk and operate under a high level of uncertainty in the market.

Alvarez and Barney (2007) explore two theories based on the different assumptions and perspectives of entrepreneurial actions. They suggest that descriptions of entrepreneurship went through various theoretical assumptions such as whether market opportunities exist, (Kirzner 1979, Gaglio and Katz 2001, Shane and Venkataraman 2000), the character of the entrepreneur as an individual (Collins and Moore 1964, McClelland 1961, Busenitz and Barney, 1997), and assumptions about the contexts by which entrepreneurs make decisions (Alvarez and Barney 2005, Knight 1921). Based on these assumptions, Alvarez and Barney (2007) identified two theories of entrepreneurship: discovery theory and creative theory. In the discovery theory of entrepreneurship, the opportunity is assumed to be objective, which means that opportunities exist in the market (Shane 2003, Shane and Venkataraman 2000). Moreover, the discovery theory of entrepreneurship assumes that entrepreneurs have unique characteristics that enable them to recognise and explore new opportunities in the market (Kirzner 1973, Shane 2003, Shane and Venkataraman 2000). Finally, entrepreneurs are viewed as bearers of risk (Schumpeter 1934) rather than operating under uncertainty, and according to Alvarez and Barney (2007), entrepreneurs have access to market information, whether acquiring this information is costly or not, their

decision making is associated with high levels of risk. Alvarez and Barney (2007) critically differentiate between risk and uncertainty: risk is defined as being aware of all possible results that might arise from a decision; while uncertainty is viewed as the inability to predict the outcome of a decision.

The creative theory of entrepreneurship, as defined by Alvarez and Barney (2007) assumes that opportunities are subjective and they are created by entrepreneurs not unexplored in the market waiting to be discovered (Schumpeter 1934, Venkataraman 2003, Langlois and Cosgel 1993, Casson 1982). A good example of this theory is illustrated by Henry Ford's quote: "... If I had asked my customers what they want, they would have said a faster horse". The idea of opportunity creation leads to assumptions about entrepreneurs themselves: in that entrepreneurs are all viewed equally, and differences among them are not related to their unique characters but, instead, to their different approaches in making decisions under uncertainty. Finally, and as discussed by Alvarez and Barney (2007), in the creative theory entrepreneurs operate under uncertainty, which means that the outcomes of their decisions cannot be predicted or assumed.

In recent research, creativity and innovation have been viewed as two of the most important factors associated opportunity entrepreneurship. In making this link, Lupsa-Tataru (2014) defines entrepreneurship as the process by which individuals identify an opportunity, allocate the required resources, and create value. Lupsa-Tataru (2014) goes on to argue that creativity leads to innovation, because creativity is a process that leads to something new, whereas innovation comes from applying creativity.

Even though there are differing perspectives on entrepreneurship that contribute to the absence of a universal definition of the process, at the same time, the various definitions agree on the existence of unexploited opportunities (whether existing or created) (Alvarez and Barney 2007); risk-taking under market uncertainty (Schumpeter 1934,

Kirzner 1973, Knight 1921); creativity and innovation (Schumpeter 1934, Shane 2003,); and the creation of new business ventures (Gartner 1985, Rumelt 1987, and Vesper 1990). Therefore, current debates on the entrepreneurial process are not focused primarily on achieving a standard and universal definition; instead, most studies aim at identifying the successful formula for promoting entrepreneurship as an engine of economic growth and development (GEM 2014, Ahmad and Hoffman 2007, Acs, Szerb, and Autio 2015, Lupsa-Tataru 2014).

2.2: Types of entrepreneurship

Even though both the GEM and OECD EIP have been somewhat similar in defining the entrepreneur, entrepreneurship, and entrepreneurial activities, the OECD EIP explored the entrepreneurship process in more detail than the GEM. At the same time the OECD focused on developed economies and on opportunity driven entrepreneurship. According to the GEM (2014) report, entrepreneurs are classified, according to their motives for starting their own businesses, into either necessity or opportunity driven entrepreneurs. According to the GEM (2014), necessity entrepreneurs are those people who are motivated or pushed to start their own businesses because they do not have any other alternatives. On the other hand opportunity entrepreneurs are motivated to start their own businesses in pursuit of a clear business opportunity.

For the OECD differentiating between necessity and opportunity entrepreneurs was not clearly demonstrated, where according to Ahmad and Hoffman (2007), who reported the EIP results, nevertheless of the type of entrepreneurs, whether necessity or opportunity, they focused on assessing the impact of entrepreneurship performance in terms of job creation, economic growth, and reducing poverty rates as impacts of new business startups.

In assessing the different economic impacts of necessity and opportunity based entrepreneurship in developed and developing economies through the analysis of the GEM and Global Competitiveness Report (GCR), Valliere and Peterson (2009) categorise entrepreneurs based on their significance to economic growth. According to Valliere and Peterson (2009), high-expectation entrepreneurs are viewed as the most significant to economic growth as they contribute to the larger percentage of job creation rates worldwide. Opportunity entrepreneurs, as defined by Valliere and Peterson (2009), also contribute to the economic growth but their growth potential is limited and lower than high-expectations entrepreneurs. Finally, Valliere and Peterson (2009) define necessity-based entrepreneurs as individuals who decided to start their own businesses because it is the only option and a last resort.

The analysis by Valliere and Peterson (2009) was consistent with most studies aimed at exploring the relationship between entrepreneurship and economic growth and development. According to their research analysis, entrepreneurial activities vary across countries based on the economic stages, conditions, and circumstances of each country.

2.3: Entrepreneurship according to economic levels

As explored by the GEM (2014) and the in-depth analysis illustrated by Valliere and Peterson (2009), there is a relationship between entrepreneurship performance and stage of economic development across countries. According to Valliere and Peterson (2009), the relationship between countries' level of national per-capita income and entrepreneurship rates is u-shaped, where both high and low levels of national per-capita income have high entrepreneurship rates, and where countries with average per-capita income have the lowest entrepreneurship rates. GEM (2014), in exploring the motives behind starting a business, found that even though entrepreneurship rates are

high in both low and high per-capita income countries, the motives of entrepreneurs are significantly different. According to the GEM (2014), countries with high levels of per-capita income (developed economies) have more opportunity-driven entrepreneurship rates than in low per-capita income countries, and the ratio of necessity-driven entrepreneurs is higher in low per-capita income countries (developing economies).

2.4: Entrepreneurship and public policy

Shane (2009) argues that only those startups with high growth potential contribute to economic growth and development. According to Shane (2009), governments and policy makers should stop funding and subsidising startups that have no growth potential, which are the necessity entrepreneurship type, and should focus instead on encouraging startups that have high growth potential, which are the opportunity entrepreneurship type, as they positively contribute to economic growth and development.

Isenberg (2010) started the development of the Entrepreneurship Ecosystem Programme, which is a dynamic entrepreneurship development model that aims at enabling policy makers to promote and empower entrepreneurship according to each economy's social, cultural, political, financial, and structural differences. According to Isenberg (2010), the Babson Entrepreneurship Ecosystem Programme (BEEP), consist of various components which are grouped under six main domains; culture, policy, finance, human capital, supports, and markets; where different levels of interconnectedness exist between components within and across the domains.

In almost every successful model explored about promoting and empowering entrepreneurship, the role of government and public policy is viewed as one of the important factors. According to Scott and Jensen (2008) the relationship between a government's public policy and entrepreneurship is stronger in developed than in

developing countries. At the same time, Scott and Jensen (2008) concluded that public policies that are successful in one place cannot be copied and applied successfully in another place, where they will not necessarily fit with the local political, social, and economic circumstances.

Jones et al, (2014, p.197) suggest that there are no straight-forward links between the level of government support and policies in promoting entrepreneurship towards empowering economic growth and development. Even though it is argued by Valliere and Peterson (2009) that more business opportunities exists in developing than in developed countries, by which there is more room for entrepreneurship development in developing countries, El Namaki (1988) and Wong (2007) argue that the barriers to entrepreneurship in developing countries is higher than in developed countries. Furthermore, due to the lack of a standard model for entrepreneurship development, and because resources and priorities in developing countries are more focused on enhancing and implementing national projects and infrastructure, a model for promoting and empowering entrepreneurship in developing countries should be designed differently than models that are successful in developed countries. As public policies cannot be excluded from any entrepreneurship model, this research will explore the non-public policy factors that empower and promote opportunity entrepreneurship in developing countries.

2.5: Entrepreneurship and economic performance

The impact of entrepreneurship on economic performance has caught the attention of many scholars and practitioners (GEM 2014, Ahmad and Hoffman 2007, Acs, Szerb, and Autio (2015). As economic growth and development are a top priority for every government, they will always attempt to deploy tools that will positively impact the country's economic performance. Several economic growth theories have been

developed: knowledge has been recognised as an important factor of production and long-term economic growth with the development of neoclassical economic growth theories by Solow (1956) and Swan (1956). In addition, Solow (1957, 1970) distinguished between two different types of economic growth: secular growth, which is planned and is mainly due to the increase in resources from savings, and entrepreneurial growth, which is spontaneous and occurs due to the discovery of new unexploited market opportunities. According to Solow (1956), unexploited opportunities may take two different forms; either through simultaneous buying at low prices and reselling at high prices in the future, or through innovative means of production that enable companies to produce goods at a lower cost.

The economic growth theory developed by Solow and Swan (1956), also known as the Solow-Swan model, assumed that economic growth is exogenous, which means it is due to external factors that lead to knowledge creation and technological progress. Following the Solow-Swan (1956) model, Romer (1986), Frankel (1962), and Lucas (1988) developed the AK model which assumed that economic growth is endogenous, where long term economic growth is achieved due to internal factors that lead to technological advancement and development. The endogenous growth model views knowledge not just as a factor of production, but rather as a form of innovation that leads to knowledge creation.

Schumpeter (1934) was one of the first authors to consider the role of entrepreneurs in economic growth and development. His theory is one of the most widely acknowledged economic growth and development theories to consider this. According to Schumpeter (1934), innovation is the main source of technological development and progress within the economy, leading to the introduction of new products and services, new modes of production, and new techniques in management.

According to Audretsch and Thurik (2001, 2004), switching the focus to small and medium enterprises as engines of economic growth and development will result in dramatic economic change in developing countries, which they refer to as moving from a managed to an entrepreneurial economy. They argue that the managed economy is driven by the forces of large-scale production enterprises, while in an entrepreneurial economy, the forces that drive the economy are dominated by knowledge as a main factor of production and entrepreneurial activities.

Through attempting to link entrepreneurship to economic performance, Thurik, Wennekers, and Uhlaner (2002) argue that even though an increase in unemployment rates should lead to an increase in the number of business startups, the quality of such startups is not sufficient for them to thrive. Therefore, Thurik, Wennekers, and Uhlaner (2002) suggest that low levels of entrepreneurial activities will lead to low economic growth levels, reflecting the importance of entrepreneurs' capabilities, taking into consideration the positive consequences of new business startups in terms of job creation. Furthermore, it is argued by Thurik, Wennekers, and Uhlaner (2002) that innovative products and services, and competition that results from the new business startups, affect economic performance positively.

Based on extensive analysis of entrepreneurial activities across several countries, the GEM (2014) conceptual model attempts to explain the link between entrepreneurial activities and economic performance from a different perspective. According to the GEM model, the successful economic operations of large enterprises are responsible for creating new opportunities for individuals as well as for small and medium businesses. Furthermore, and as developed by the GEM (2014), the process of entrepreneurship occurs when there are opportunities available, and skilled individuals that are capable and motivated to exploit those opportunities to start their own businesses.

In exploring the link between innovation, entrepreneurship and economic growth, Galindo and Méndez (2014) concluded that such a link exists. They argue that economic activities are positively enhanced through higher entrepreneurial activity and innovation, which in turn positively affect innovation and entrepreneurship; thus there is a significant mutual benefit. Huggins and Thompson (2015) also concluded that there is a positive relationship between entrepreneurship, innovation and regional growth, and that as entrepreneurial firms form stronger networks they gain new knowledge that lead to more innovation.

Through examining the impact of entrepreneurship on economic performance across different regions, whether in developed or developing countries, it can be concluded that even though economic performance is positively affected by entrepreneurship, models of fostering entrepreneurship still differ even across countries that share similar economic levels and circumstances. Therefore, no single model could be standardised as a tool for fostering entrepreneurship.

2.6: Economic levels and entrepreneurship

Most studies exploring the impact of entrepreneurship on economic performance have found that the level of entrepreneurial activities varies from country to country, based on their economic level and circumstances (GEM 2014, Ahmad and Hoffman 2007). Rostow (1959) argues that each country progresses through five main stages of economic development. In stage one, traditional society, the economy is dominated by agricultural production with high levels of labour and low levels of trade, and the economy does not involve the use of technology and knowledge within production. In the second stage, the pre-conditions to take-off, manufacturing starts to take place, and the economy begins to develop and expand international trade relations. In the third stage, the take-off stage, economic growth becomes the focus within the economy,

industrialisation begins to take place, and labour becomes more focused on the new industries; as the take-off economic development stage is the shortest stage, as described by Rostow (1959), the next economic development stage - the drive to maturity - is longer. During this stage, standards of living and quality of life within the society start to improve along with the use of technology, industries and businesses start to diversify, and the economy grows and develops. Finally, in the fifth stage, as developed by Rostow (1959), the age of high-mass consumption, a capitalist system starts to develop within the economy, involving high levels of mass production and consumption.

While Rostow (1959) takes into consideration high volumes of mass production and consumption, Porter (1990) developed a revised model based on the economics of innovation and competition. According to Porter (1990), economic development involves three main stages: the factor-driven, the efficiency-driven, and the innovation-driven. The factor-driven stage is associated with high levels of self-employment in the agricultural sector, and the competition within the economy is based primarily on low-cost production. In the efficiency-driven stage, economies start to have effective and efficient practices in production by which they achieve economies of scale; to rely on technology and efficient labour; and to focus on manufacturing. Finally, the innovation-driven phase is associated with high levels of activities by individuals, where knowledge is central and where individuals are motivated to start new businesses with the aim of introducing new products and services.

Building on the theory of economic development developed by Porter (1990), Cho and Moon (1998) take another perspective in classifying economies based on economic performance qualitative and quantitative measures. In each stage Cho and Moon (1998) identify the sources of international competitiveness. In addition to the quantitative economic measures, such as the Gross Domestic Product (GDP) and Purchasing Power

Parity (PPP), Cho and Moon (1998) rely on the Human Development Index (HDI) in order to qualitatively measure economic performance. Based on this model, there are four economic stages: less developed, developing, semi-developed, and developed economies. According to Cho and Moon (1998), less-developed economies are characterised by their low quality and quantity of economic performance measures, as they rely on the use of natural resources, the workers are unskilled, and the government policy focuses on inbound Foreign Direct Investment (FDI).

In the developing economic stage, according to Cho and Moon (1998), both the quantity and quality of economic measures increase, where workers in the labour market become more skilled, and government starts to focus on developing basic infrastructures and empowering exports and external trade. Through moving from a developing to a semi-developed economy, and as argued by Cho and Moon (1998), the government starts to focus on outbound FDI, workers become more skilled, meaning labour costs increase, and entrepreneurs as well as small businesses start to take advantage of market opportunities. Finally, the developed economic stage is associated with high levels of quantitative and qualitative economic performance measures, and as illustrated by Cho and Moon (1998), the government focuses on building and developing advanced infrastructures; and the economy becomes competitive, with innovation and creativity becoming critical factors in introducing new products and services to local and international markets.

The GEM (2014) analysis shows that entrepreneurial activities vary according to the economic status and circumstances of each country, especially when comparing the ratio of necessity to opportunity entrepreneurs. According to GEM (2014), even though entrepreneurial activities are higher in factor-driven economies than efficiency and innovation-driven economies, the ratio of opportunity to necessity entrepreneurship is higher in innovation-driven and efficiency-driven economies, which explains that, in

terms of quantity, entrepreneurial activities are higher in developing than in developed countries. The GEM (2014) data analysis reflects that less-developed economies have higher necessity-to-opportunity entrepreneurial activity ratios, by which it indicates that individuals in less developed countries are motivated to start their own businesses due to the unavailability of other good employment options.

El Namaki (1988) argues that barriers to entrepreneurship, whether necessity or opportunity, are higher in developing than in developed countries, even though developing countries have more opportunities (Ho and Wong 2007; Valliere and Peterson 2009). Transforming business opportunities in developing countries, as argued by Minniti (1999) and Acs et al. (2008), into business startups will positively influence economic performance and growth ratios in developing countries. As economic conditions in developed countries are better than in developing countries, according to Castano et al. (2015); as an economy is developed and the social and cultural contexts support entrepreneurship, more individuals will be encouraged to start their own businesses. . For instance, the fear of failure which is examined thoroughly by Cacciotti and Hayton (2015) is higher in developing than in developed countries, which can discourage entrepreneurship.

Even though the GEM national reports follows the same GEM research model, the GEM (2012) national report on Egypt takes into consideration in-depth analysis of the areas of fostering entrepreneurship in Egypt, and the recommendations to improve entrepreneurship in Egypt.

The reported results of the GEM (2012) national report on Egypt reflects an increasing percentage of entrepreneurial intentions by youth entrepreneurs in Egypt that jumped from 35% in 2008 to be 83% by 2012. Furthermore, the perceived opportunities increased significantly by youth entrepreneurs in Egypt 40% to 54%. Finally, the results also shows that entrepreneurship as a career choices as perceived by youth

entrepreneurs increased from 73% in 2008 to be 83% by 2012 (GEM 2012). With regard to the barriers identified in Egypt as a developing country, the GEM (2012) national report on Egypt results shows that the fear of failure, as perceived by youth entrepreneurs, from 25% in 2008 to be 33% in 2012.

2.7: Entrepreneurship models and frameworks

This section presents a number of the key models and frameworks associated with entrepreneurship. Some models focus on the entrepreneurial process which includes the interrelationship between entrepreneur, resources and opportunity (Timmon's 1978, Shane 2003); other models focus primarily on the personal characteristics of the entrepreneur, and the importance of opportunity alertness and exploitation (Dubin 1978, Gartner 1985, Mot 2010, Oyson and Whittaker 2010). Other models have primarily focused on the entrepreneurial intentions, behaviors, and readiness (Moore 1986, Ajzen 1991, Shapero 2000, Ferreira et al 2012, Misra and Kumar 2000, Bridge 2010) regardless of the opportunity exploitation / availability in the market, and resource allocation. Through the presentation of the various models, there is no doubt that the characteristics of the entrepreneur, the alertness to market opportunities, opportunity exploitation, entrepreneurial readiness and intentions, and the ability to allocate resources are all important components of entrepreneurship development. The missing link in the literature on entrepreneurship models and frameworks is the interrelationship and interconnectedness between these various components, whether in developed or developing economies.

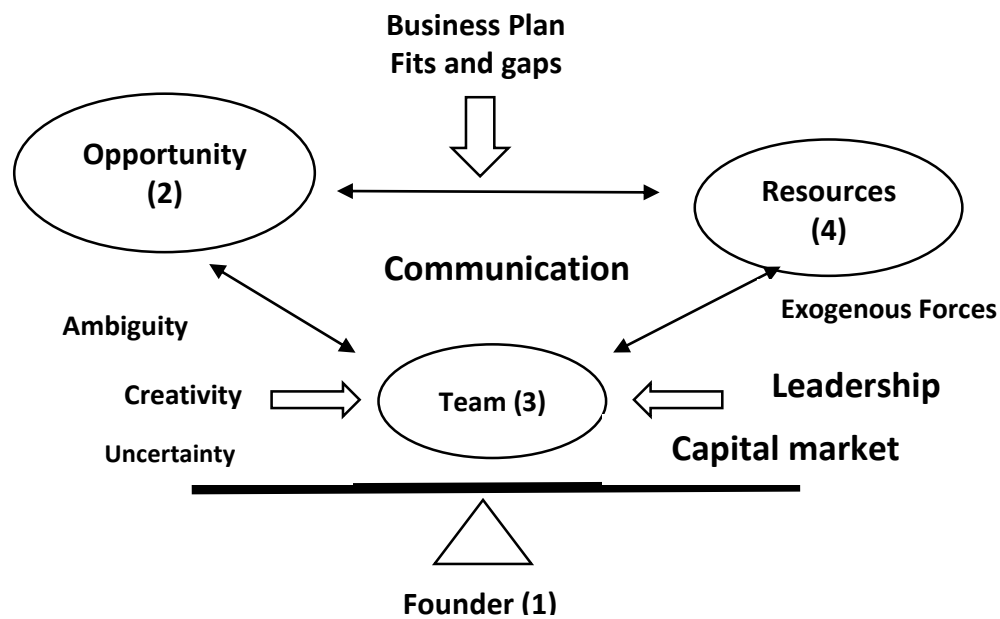
According to Isenberg (2010), current studies have not yielded a standard model of promoting and empowering entrepreneurship. Therefore, a standard model does not exist to date, according to Isenberg (2010), individual frameworks are only applicable according to each country's economic, social, and political circumstances. There are

two main aspects of entrepreneurship models and frameworks: those that rely on the entrepreneur character and market opportunities, and those that are based on the exploration of entrepreneurship through standardised measures across different countries.

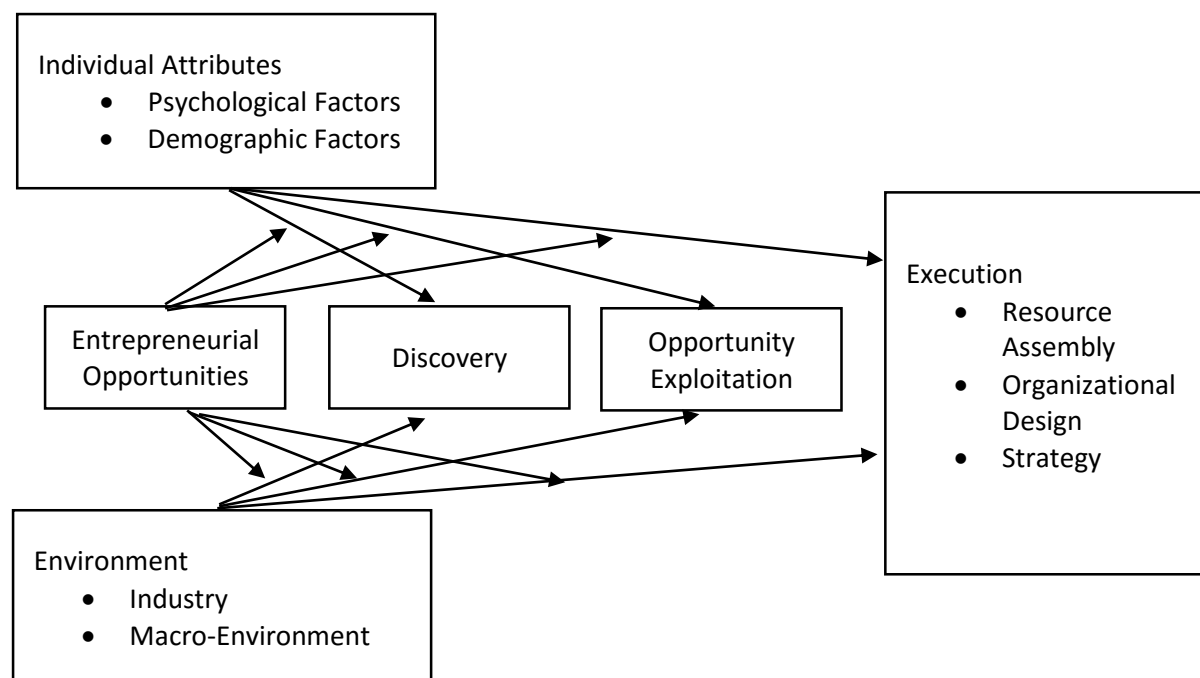
A number of models have been widely acknowledged in the literature. These are: Timmon's entrepreneurial process (Timmon 1978), Dubin's entrepreneurial opportunity recognition (Dubin 1978), Shane's model of entrepreneurial process (Shane 2003), Moore's entrepreneurial behaviour model (Moore 1986), Gartner's opportunity-based approach to entrepreneurship (Gartner 1985), the GEM revised conceptual framework (GEM 2014), and the OECD Entrepreneurship Indicators Programme (EIP) (Ahmad and Hoffman 2007). The Timmons' (1978) model (Figure 2.1) explores the entrepreneurial process through four main factors: the entrepreneur, the opportunity, the team, and the resources. Timmons argues that the entrepreneur who is skilled and knowledgeable tackles unrealised market opportunities, and thus the entrepreneur or founder is a key factor within the framework. Once the entrepreneur realises the opportunity, he/she will be capable of forming the right a team with the right skills and knowledge to acquire all the resources needed to successfully exploit the market opportunity.

Shane's (2003) model of the entrepreneurial process (Figure 2.2) does not differ greatly from that of Timmons. It proposes entrepreneurship is opportunity driven by skilled and knowledgeable individuals. According to Shane (2003) entrepreneurship is "an activity that involves the discovery, evaluation, and exploitation of opportunities to introduce new goods and services, ways of organizing, markets, processes, and raw materials, through organizing efforts that previously had not existed". In addition to the skills, knowledge and capabilities of the entrepreneur, Shane (2003) argues that environmental factors affect entrepreneurial decisions, such as industrial and economic

circumstances.



■ Figure 2.1: Timmons' model of entrepreneurial process



■ Figure 2.2: Shane's model of the entrepreneurial process

Furthermore, Shane (2003) explores entrepreneurial opportunities in terms of Kirzner (1997) and Schumpeter (1934). According to Kirzner (1997), existing market

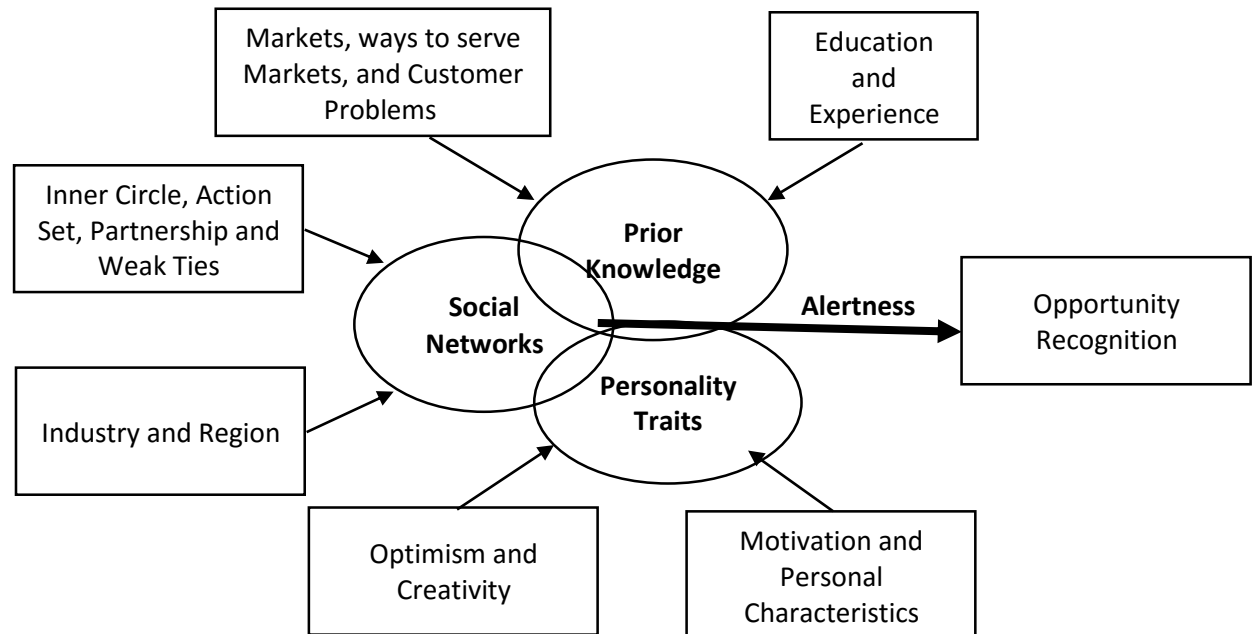
opportunities need only different views about the available information, whereas according to Schumpeter (1934) entrepreneurs need new information to enable them to explore existing opportunities. According to Shane (2003), both perspectives of Schumpeter (1934) and Kirzner (1997) contribute to the entrepreneurial process, where opportunities can exist or be explored or created by entrepreneurs.

Opportunity exploration is considered an important factor in most of the entrepreneurial models, as well as in the different perspectives of entrepreneurship. According to Dubin (1978), opportunity recognition is influenced and affected by four main factors: the prior knowledge of the entrepreneur, the social network, personality traits, and the entrepreneurial alertness. According to Dubin (1978), the entrepreneur relies on his/her prior knowledge to recognise a business opportunity. Furthermore, the social networks and personal characteristics of the entrepreneur enable him/her to better identify the opportunity, and then to use entrepreneurial alertness to take advantage of the opportunity in the tight timing.

Building on Dubin's (1978) opportunity recognition model, Mot (2010) argues that alertness is the result of the correlation between prior knowledge, social networks, and the personality traits of the entrepreneur. According to the extended conceptual model of Mot (2010), as illustrated in Figure 2.3, opportunity recognition is developed through the alertness that results from entrepreneur's prior knowledge, social networks, and personality traits.

For Gartner (1985), the process of opportunity consists of three main stages: the opportunity formation, the decision of the entrepreneur to take advantage of the opportunity, and the opportunity exploitation. This approach acknowledges both assumptions and entrepreneurial opportunities, where opportunities may be already exist or be created by the entrepreneur (Alvarez and Barney, 2007). Based on the two different dimensions of opportunity, whether existing or created, Oyson and Whittaker

(2010) (Figure 2.4), identified four main categories of opportunities according to market opportunities and firm capabilities dimensions, which are: discovery, development, construction, and creation.



■ Figure 2.3: Mot conceptual model of the interaction of Gartner's opportunity-based approach to entrepreneurship

Opportunity discovery, as illustrated by Oyson and Whittaker (2010), takes place when the business capabilities and market opportunities exist. Opportunity development takes place when the market opportunity exists and the firm capabilities are new, such as exporting to new markets or developing a new product. Opportunity construction takes place when a business is capable of creating an opportunity that is associated with a level of risk and uncertainty, such as introducing a new product or service. Finally the opportunity creation takes place when a firm becomes motivated by opportunity creation under risk and uncertainty.

		Market Opportunities	
		Current	New
Firm Capability	Current	1 Opportunity Discovery	3 Opportunity Construction
	New	2 Opportunity Development	4 Opportunity Creation

■ Figure 2.4: Oyson and Whittaker's entrepreneurial opportunity formation quadrant

For Moore (1986) (Figure 2.5), entrepreneurial behaviour consists of three main phases: the innovation phase, the implementation phase, and the growth phase. Moore proposes that all the three phases of the entrepreneurial behaviour are influenced by personal characteristics and the environment. Thus, the personality, skills, and knowledge of the entrepreneur are critical success factors. In addition, the environment enables the entrepreneur to explore opportunities and acquire information to successfully move towards implementation. According to Moore (1986), each phase requires different personal and environmental characteristics except the growth phase, where organisational characteristics are required, including management practices and organisational strategies.

In most studies, entrepreneurs' personalities have been acknowledged as an influencing factor on entrepreneurial activities. Building on the Theory of Planned Behaviour (TPB) developed by Ajzen (1991), the Shapero-Krueger (Krueger et al. 2000) model of entrepreneurial event was developed., according to Krueger et al. (2000), the entrepreneurial event takes place as a result of the entrepreneur's perceived desirability, propensity to act, and the perceived feasibility.

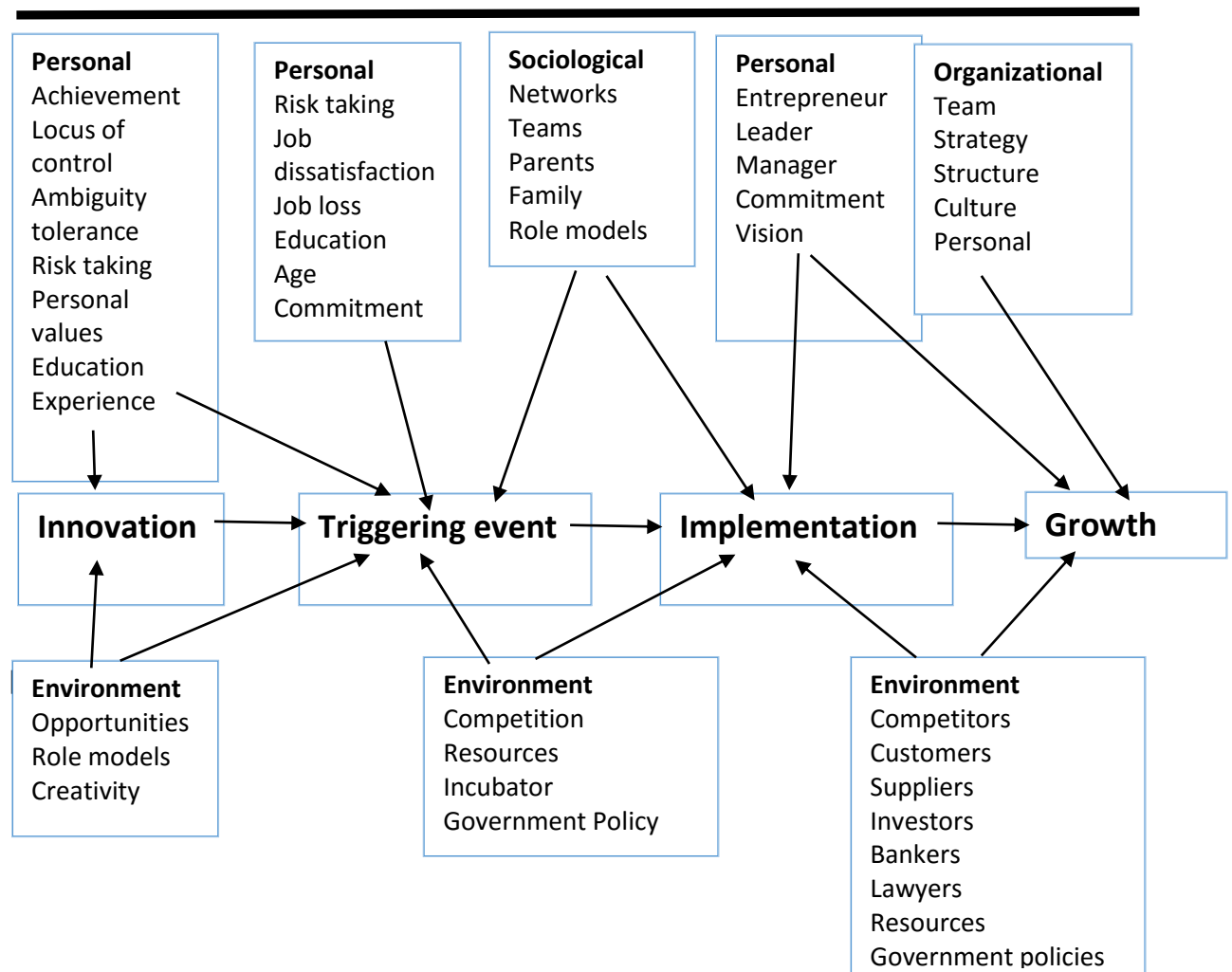
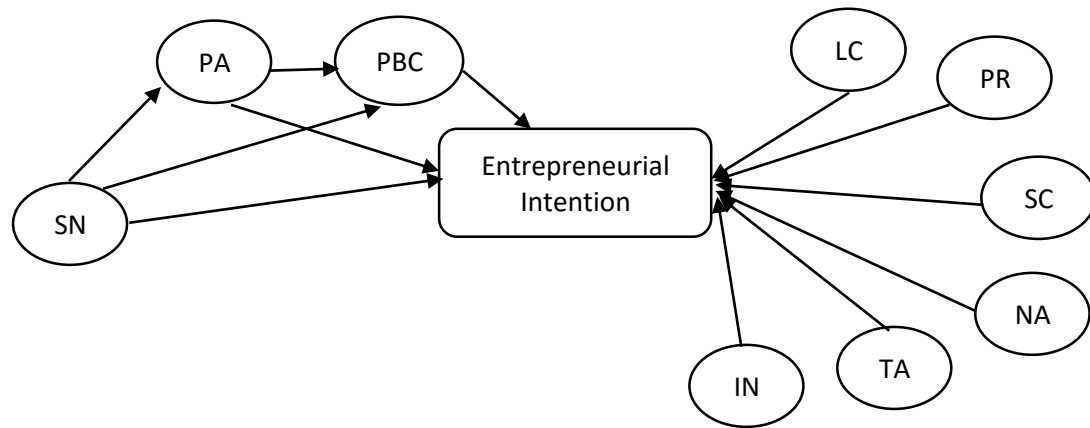


Figure 2.5: Moore's entrepreneurial behaviour Model

Building on the models of Ajzen (1991), Shapero-Krueger (Krueger et al. 2000), and Bygrave (1989), Ferreira et al. (2012) developed the model of entrepreneurial intentions, as illustrated in Figure 2.6. According to Ferreira et al. (2012), subjective norms positively influence personal attitudes, perceived behavioural control, and entrepreneurial intention. Furthermore, and as argued by Ferreira et al. (2012), personal attitudes influence positively both the perceived behavioural control and the entrepreneurial intention, and the perceived behavioural control positively influences the entrepreneurial intention. As argued by Ferreira et al. (2012), all psychological factors influence entrepreneurial intention. Misra and Kumar (2000) developed a model of entrepreneurial behaviour, as illustrated in Figure 2.7, in which both psychological and demographic factors influence entrepreneurial behaviour. In this model of

entrepreneurial behavior, there are two mediated factors, which are the situation and the entrepreneurial environment, in addition to entrepreneurial resourcefulness.



■ Figure 2.6: Ferreira et al's (2012) model of entrepreneurial intention

Behavioral factors

SN: Subjective

PA: Personal Attitude

PBC: Perceived Behavioral Control

Psychological Factors

LC: Locus of control

PR: Propensity to risk

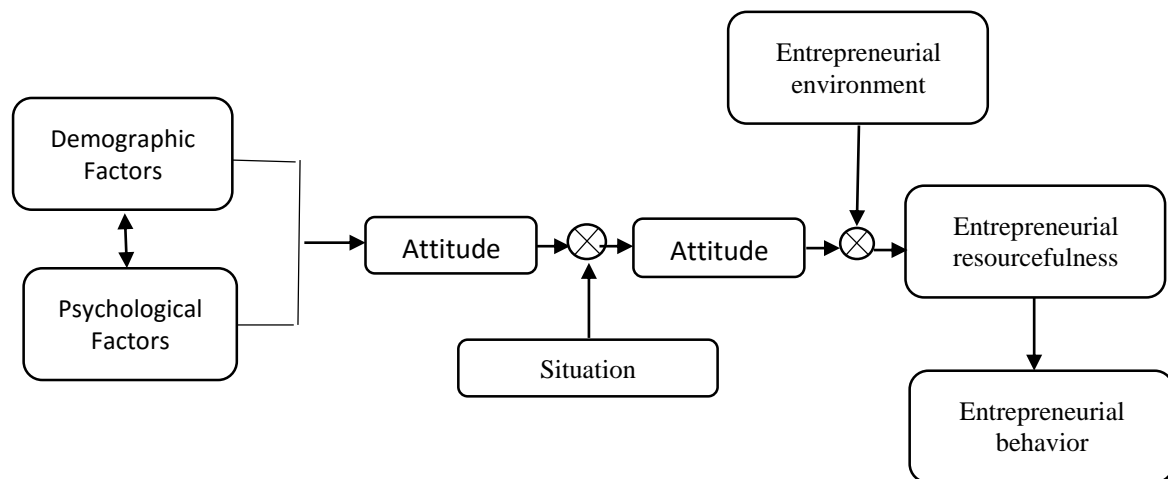
SC: Self-confidence

NA: Need for achievement

TA: Tolerance for ambiguity

IN: Innovativeness

According to Bridge (2010), social factors are more important than economic factors in influencing individuals to become entrepreneurs. As argued by Bridge (2010), potential entrepreneurs can be categorised into three main groups: active entrepreneurs, individuals who can be encouraged to become entrepreneurs, and individuals who cannot. According to Bridge (2010), entrepreneurs are mainly influenced by the people around them, and ignores other economic or market factors such as access to finance, market information, training, education, and any related economic factors.



■ Figure 2.7: Entrepreneurial behaviour model (Misra and Kumar 2000)

Even though all the models and frameworks of entrepreneurship presented recognizes generally the environmental conditions, they are considered very general as they do not consider specific economic contexts. Furthermore, all the models and frameworks acknowledges the importance of the entrepreneurial intentions that is developed through the entrepreneurs' personal characteristics and personalities, and the opportunity recognition or exploitation. Therefore, the aim of presenting the various models of entrepreneurship is to acknowledge the importance of opportunity exploitation and recognition, and the entrepreneurs' characteristics in terms of shaping the entrepreneurial intentions. These two factors are of extreme importance to the specific context of the business accelerator model in Egypt as a developing country.

2.8: Entrepreneurial models according to comparable data across different countries

The models and frameworks of Dubin (1978), Timmons (1978), Moore (1986), Shane (2003), and Gartner (1985) focused primarily on the opportunity type of entrepreneurs, relying heavily on the importance of innovation and creativity. Furthermore, these models focused also on the personality of the entrepreneur, all relying on the opportunity as a driver for entrepreneurs to start their own businesses. Moreover, even

though some of the models have shed light on the environment as a factor in enabling entrepreneurs to recognise opportunities, none of these models have considered the economic conditions that might affect the entrepreneurial process.

Exploring entrepreneurship across the globe and through a broader perspective can be better understood through the Global Entrepreneurship Monitor (GEM) reports, the Global Entrepreneurship Development Index (GEDI) reported by Acs, Szerb, and Autio (2015), and the Organisation for Economic Cooperation and Development (OECD) Entrepreneurship Indicators Programme (EIP). Each of these bodies aims to explore entrepreneurship from different perspectives and across different countries in order to contrast entrepreneurial levels in different economic circumstances and conditions, and to explain how entrepreneurial levels change according to different factors. The results of these reports often help policy makers learn from one another about best practice, and consequently adjust their policies to support entrepreneurship to become more effective and efficient in economic growth and development.

The Global Entrepreneurship Monitor (GEM) report (2014) is one of the oldest studies examining entrepreneurial activities across different countries with different economic circumstances. The GEM project has published an annual report since it started in 1999 with only ten participating countries, and by 2014 the number of participating countries had grown to 85 countries with different levels of economic circumstances. The GEM project relies on two main sources of data collection in assessing entrepreneurial activities in each participating country: the partner organisation in each country is responsible for carrying out a questionnaire with at least 2000 participants between the age of 18 to 64, and a team of national experts assess the environment based on the GEM nine entrepreneurial conditions. Additionally, the GEM also relies on standardised data from international sources such as the United Nations, the International Monetary Fund, and the World Bank.

The GEM (2014) and the GEDI reported by Acs, Szerb, and Autio (2015) measure entrepreneurship across different countries based on the three phases of economic development suggested by Porter (1990), instead of the five stages model developed by Rostow (1959). Thus, based on the GEM (2014) and GEDI (Acs, Szerb, and Autio 2015), economies of participating countries fall into three main stages: the factor-driven, the efficiency-driven, and the innovation-driven. According the GEM (2014), and based on the World Economic Forum (WEF), countries in the factor-driven economic phase are mainly focusing on the agriculture and extraction industries, while relying heavily on unskilled labour and the available natural resources. As economic development progresses, countries move towards becoming efficiency-driven, expanding in terms of industrialisation, economies of scale, and the reliance on skilled labour. Finally, as economic development progresses, industries start to become more dependent on knowledge, the services sector starts to develop, and innovation and creativity become critical factors in economic growth and development.

By 2012, the GEM decided to include entrepreneurship rates according to the migration status of entrepreneurs, in order to further examine the migrants versus non-migrants activity rates. Based on the economic levels of participating countries, survey questionnaires, and national experts' assessment of entrepreneurial conditions, the results of the GEM (2014) show that: entrepreneurial activities are higher in factor-driven, decreasing in efficiency-driven, and lower in innovation-driven economies; and opportunity-driven entrepreneurship rates are higher in innovation-driven than in efficiency and factor-driven economies. These results reflects that in developing and less developed countries, entrepreneurs are necessity-driven, by which starting their own businesses is their only option, and not for pursuing a market opportunity. Concerning the National Expert Surveys (NES) about entrepreneurial conditions, generally the GEM (2014) argues that even though each country has many

improvements to implement in different areas, factor-driven economies are more focused on the development of physical infrastructure and the implementation of national projects, meaning their focus on entrepreneurship is lower than in efficiency-driven and innovation-driven economies.

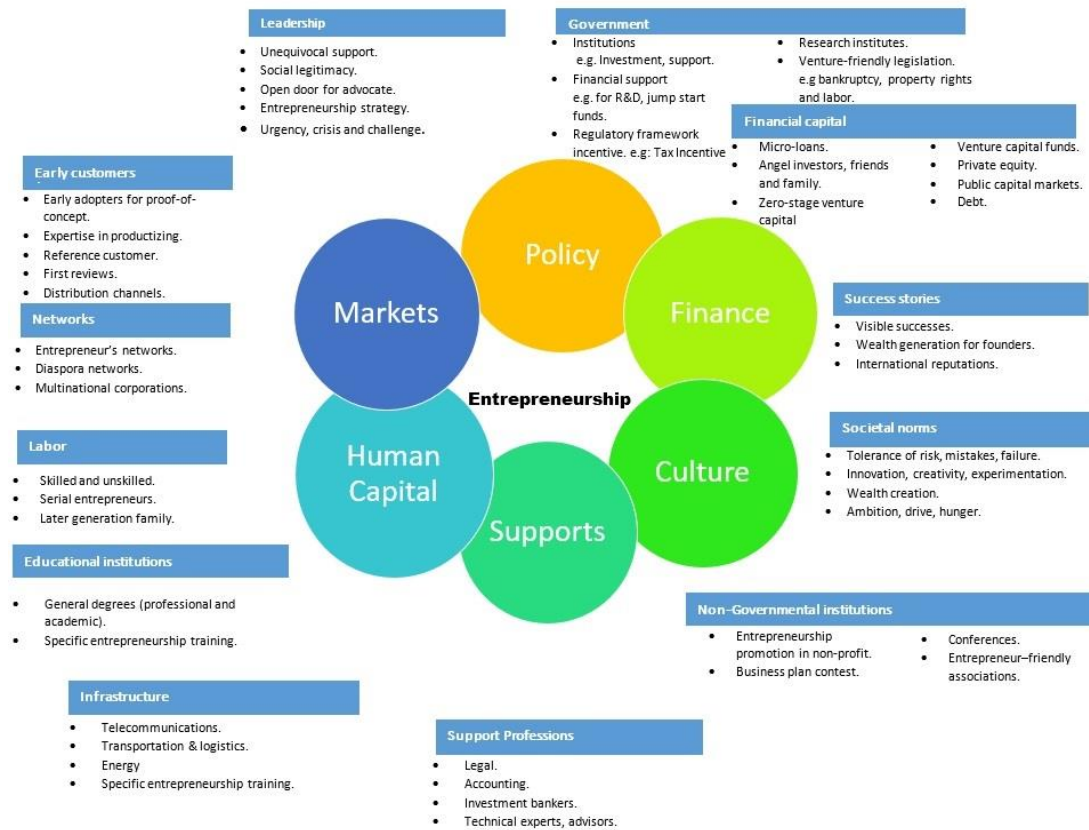
GEDI (Acs, Szerb, and Autio 2015) takes a different perspective in assessing entrepreneurship across different countries. While the entrepreneurship index measured by GEDI (Acs, Szerb, and Autio 2015) relies on assessing entrepreneurship according to the economic levels of each participating country based on the three phases of economic development developed by Porter (1990), the index consists of three main sub-indexes, fourteen pillars, and thirty one variables that are all aiming at capturing the quantity and quality of entrepreneurship in participating countries. As outlined by Acs, Szerb, and Autio (2015), the first sub-index is entrepreneurial attitudes, representing how the population of each country perceives opportunities, entrepreneurial skills, perception about business failures, social networking, and cultural support for entrepreneurship. The second sub-index, entrepreneurial activity as discussed by Acs, Szerb, and Autio (2015), explores the skills and knowledge development of entrepreneurs and how they can be improved. Finally, the aspiration sub-index is concerned with assessing how entrepreneurial activities are focused on innovation, high-impact, and globalisation.

According to the results reported by Acs, Szerb, and Autio (2015), the attitude sub-index was found to be essential for countries in the factor-driven economic phase, and at the same time is viewed as an essential prerequisite to the second and third sub-index. Furthermore, activity sub-index was found to be essential for countries in the efficiency-driven economic development phase, and the aspiration sub-index was essential for countries in the innovation-driven economic development phase. The results of GEDI (Acs, Szerb, and Autio 2015) can be seen as relevant to those of the

GEM (2014), which acknowledges the differences of entrepreneurial activities across countries according to the phase and level of economic development in each country.

The OECD Entrepreneurship Indicators Programme (EIP), as reported by Ahmad and Hoffman (2007), takes a different approach in exploring entrepreneurship. Although it considers the differences in economic development levels in different countries, its primary focus is on Europe, and only two developed countries outside Europe. The OECD EIP started in 2006 with the aim of developing standard entrepreneurship measures that could be used to compare entrepreneurial activities and levels internationally. Based on the reported results of the OECD EIP project by Ahmad and Hoffman (2007), an entrepreneurship demand and supply model was developed, illustrating that entrepreneurship performance is determined by demand opportunities and the supply of capabilities; and both demand and supply are influenced by entrepreneurship incentives, culture and motivation, and framework conditions of the economy.

Unfortunately, as argued by Isenberg (2010), not all entrepreneurial models resulted in the production of a standard model that could be generalised and implemented. As a result, Professor Daniel Isenberg, in cooperation with Babson College, started the Babson Entrepreneurship Ecosystem Project (BEEP) to identify the entrepreneurship domains that are essential for any country to foster entrepreneurship. The BEEP, as illustrated by Isenberg (2010), has six main domains: culture, finance, policy, support, human capital, and markets. Each of these main domains includes sub-domains with a total of twelve sub-domains as shown in figure 2.8. The BEEP aims at enabling each government or country to construct its own entrepreneurship fostering system based on the domains and sub-domains identified, where different levels of political, cultural, and economic infrastructure can be taken into consideration.



■ **Figure 2.8: Babson Entrepreneurship Ecosystem Project**

2.9: The role of non-governmental organisations (NGOs) and the private sector in promoting entrepreneurship

The entrepreneurship models demonstrated by Dubin (1978), Timmons (1978), Moore (1986), Shane (2003), and Gartner (1985) focused on the nature of entrepreneurial opportunities as well as the characteristics of the entrepreneur. On the other hand, entrepreneurial models that aim at creating comparable international data on entrepreneurship, such as the GEM (2014), OECD (Ahmad and Hoffman 2007), and the GEDI (Acs, Szerb, and Autio 2015) took into consideration more factors and attributes. Those models acknowledge both types of entrepreneurship, their impact on economic development and growth, and most importantly the role of government policies and legal infrastructure; according to Scott and Jensen (2008), the link between government policies and entrepreneurship levels is strong in developed countries and weak in developing countries.

As GEM (2014), OECD (Ahmad and Hoffman 2007), and the GEDI (Acs, Szerb, and Autio 2015) examined entrepreneurship across many countries with different levels of economic circumstances, the results over several years showed that developed countries were more effective in promoting entrepreneurship, especially the opportunity type. According to the GEM (2014), developing countries lack the resources to promote opportunity entrepreneurship due to their primary focus on national projects and physical infrastructure. However, Valliere and Peterson (2009) argue that more unexplored opportunities exist in developing than in developed countries, but the problem lies in the inability of governments to design appropriate strategies to enable entrepreneurs to overcome the barriers. According to El Namaki (1988) and Ho and Wong (2007), there are more barriers to entrepreneurship in developing than in developed countries, and therefore entrepreneurs in developing countries are not motivated to start their own businesses, and the majority of those who are motivated are necessity entrepreneurs.

Therefore, promoting opportunity entrepreneurship in developing countries faces many challenges: opportunities exist, but the barriers to taking advantage of them are high, and governments are unable to implement the appropriate policies. Furthermore, not all the developed models of promoting entrepreneurship are standardised; according to Isenberg (2010), successful experiences examined across different countries cannot be generalised, and each government needs to be able to come up with appropriate strategies according to their specific economic, social, and political circumstances.

In recent years several tools for promoting entrepreneurship have evolved in both developing and developed countries, such as venture capital firms and venture capitalists, business incubators, private equity firms, and business accelerators. Furthermore, non-governmental organisations (NGOs) and the private sector have started to be more involved in the process of promoting opportunity entrepreneurship,

with the aim of narrowing the gap and constructing a bridge between entrepreneurship and government bodies. Thus entrepreneurship promotion has become a domain of interest for both non-profit and for-profit organisations, and through the emergence of new financial and support networks for entrepreneurship, government bodies will have a clearer direction guided by the private sector and NGOs.

While there are different models of entrepreneurship across countries, barriers to entrepreneurship and business startups vary (Isenberg 2010, El Namaki 1988) across countries according to different economic circumstances. In the absence of a standardised model of support, the development of entrepreneurship tools and infrastructures differs also from a country to another, where - according to Isenberg (2010) - what might be successful in one place might not be successful in another. Governments worldwide acknowledge the importance of entrepreneurship as a key factors in economic growth and development, the private sector view potential entrepreneurs as a source of promising business opportunities According to Abdulsaleh and Worthington (2013), financing entrepreneurs through equity is far better than debt financing, as the cost of finance is zero where there are no interest payments. As illustrated by Abdulsaleh and Worthington (2013), financing entrepreneurs by equity takes several forms such as venture capitalist and venture capital firms, angel investors, business accelerators, and business incubators; through equity, the financing body is entitled to own shares in the company. The degree of involvement in management differs according to the arrangements between entrepreneurs and investors, but in most cases, investors act as mentors and consultants to entrepreneurs in the implementation of their business ideas (James 2010, Ramadani 2012, and Lahti 2011).

In exploring the relationship between entrepreneurial finance and innovation, Chemmanur and Fulghieri (2014) demonstrated the importance of non-traditional forms of finance in fostering entrepreneurship. They examined several forms of finance

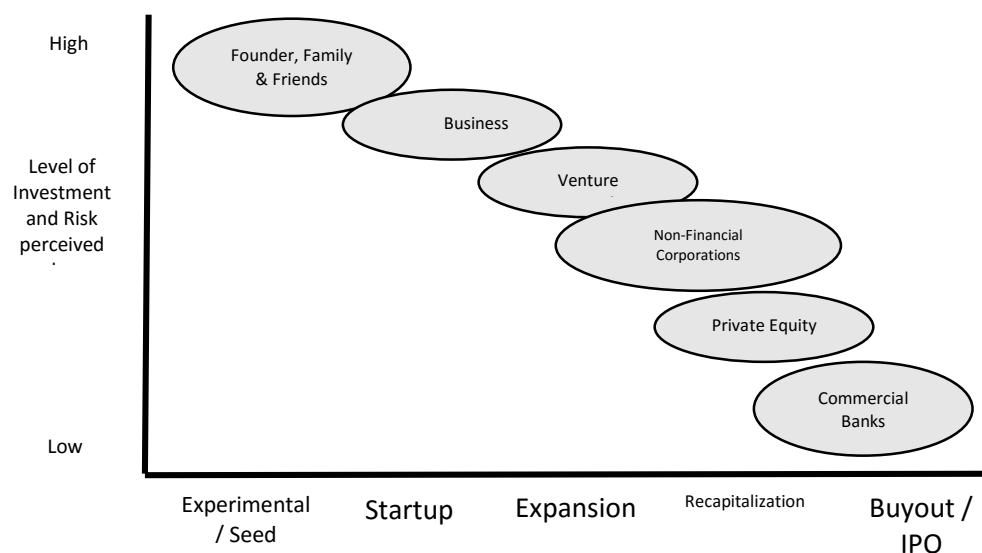
such as venture capital firms, corporate or independent venture capital firms, angel investors, and crowd funding, and found that the amount of financial support for entrepreneurial innovation is not the only important factor, but also the degree of involvement through mentorship and support provided to entrepreneurs by financial intermediaries.

There are five stages of financing in the business lifecycle, as illustrated by Cvijanović, Marović and Sruck (2008) in Figure 2.9. In the first stage, the experimental or seed, entrepreneurs rely on financial support from founders, family, and friends (FFF). In the second stage, the startup, entrepreneurs rely on equity financing from angel investors, venture capitalists, and venture capital firms. As the company reaches the expansion phase, entrepreneurs rely on venture capitalists, venture capital firms, and commercial loans. In the fourth stage, the company grows to achieve the recapitalisation phase, where entrepreneurs start to acquire funds from private equity firms with a view to restructuring the company to reach the buyout phase, when it is sold through Initial Public Offering (IPO) in the stock market.

As illustrated in Figure 2.9, according to Cvijanović, Marović and Sruck (2008) there is a trade-off between the level of risk, and the amount and sources of finance to entrepreneurs. Both entrepreneurs and startup companies may experience failure at any stage of development, but the further the company successfully progresses, the lower the risk perceived by investors, providing the opportunity to acquire more investment from other investors. As more financing tools become available in the market to empower entrepreneurs and startup companies, such as the incubators and accelerators that will be discussed later in this chapter, entrepreneurs and startup companies will have more choice of financing sources, as well as other non-financial services to encourage and enable more entrepreneurs to start their own businesses.

Access to finance is one of the major barriers to entrepreneurship in both developed and developing countries (GEM 2014). The OECD (2015) also concluded that developing countries lack the appropriate regulatory and legal frameworks inhibiting entrepreneurs from taking advantage of equity finance. Furthermore, the OECD (2015) concluded that private equity firms and investors are more focused on the acquisition of large businesses instead of financing new businesses.

By examining how different and non-traditional forms of finance have developed over the last twenty years (Chemmanur and Fulghieri 2014), and how they became important in fostering entrepreneurship, the role of the private sector has been also developed beyond providing finance. Therefore, the role of governments, whether in developed or developing countries, should shift from enabling access to finance to supporting and fostering companies and investors to offer entrepreneurs the access to finance through different non-traditional forms of finance.



■ FIGURE 2.9: FINANCING BASED ON COMPANY'S DEVELOPMENT

In attempting to design a market-based approach to facilitating economic growth through entrepreneurship, McMullen et al. (2007) argue that making changes to legal and regulatory frameworks is very difficult and time-consuming, and entrepreneurship can better be developed as a nexus of Social Entrepreneurship (SE), Business Entrepreneurship (BE), and Institutional Entrepreneurship (IE). McMullen et al. (2007) argue that the interaction between BE, SE, and IE will accelerate the institutional change required to foster entrepreneurship towards achieving economic growth relying on the economic theory logic of trade and self-interest.

Their research aim was to explore how a market-based approach to entrepreneurship development could be designed so that the role of government could be minimized. Furthermore, GEM (2014) concluded that governments in less-developed countries pay more attention to national projects and physical infrastructure development, and attention to entrepreneurship development is primarily focused on necessity entrepreneurship; this research will explore how a market-based approach can be helpful and beneficial to the promoting opportunity-based entrepreneurship.

2.10: The evolvement of incubators and accelerators

According to Isenberg (2010), models of supporting entrepreneurship development failed to produce a standard framework. Therefore, a variety of tools has been used to empower entrepreneurs, with incubator programmes being acknowledged as playing an important role in empowering and facilitating startups. As illustrated by Moraru and Rusei (2012), the business incubator was first defined at the 1998 Helsinki workshop as “a place where there are concentrated in a limited space newly created companies”. The main objective of a business incubator is to provide potential business owners with a modular office space that is fully equipped with utilities, and business and managerial services. According to Moraru and Rusei (2012), incubators provide three main

activities to develop businesses successfully: access to investors and mentors, the entrepreneurial environment and training, and visibility in the market.

Chandra and Fealy (2009) suggest that business incubators are dynamic tools for empowering new businesses and helpful to governments in achieving their macro-economic objectives including job creation. Through contrasting business incubators in the United States, China, and Brazil, Chandra and Fealy (2009) concluded that there are no standards for business incubators in terms of structure, and even though governments are always involved in funding and management, the level of involvement differs according to the policies of each.

Hackett and Dilts (2004) provides an extensive literature review on the history of incubation programmes since their evolution in 1984, and how incubators since then have taken several forms in supporting and empowering startups. According to Aaboen (2009), and Lewis et al. (2011), businesses that started through incubators enjoyed greater success and survival rate compared to those that were not.

According to Bergek and Normann (2008, p. 21), the literature on incubators has focused mainly on four offerings, which are: shared office space, support services, providing access to market network, and coaching of entrepreneurs. Furthermore, and as demonstrated by Hansen et al. (2000), Bruton et al. (2008), and Dee et al. (2011), incubators also offer entrepreneurs many intangible services such as the learning and managerial experience, and other related business knowledge and skills. Financing, whether debt or equity, may always seem the major barrier to startups, whereas demonstrated by Mullane, Peters, and Bullington (2001), there are three main factors that affect the success or failure of entrepreneurs: the managerial, the financial, and the strategic. That is why startups that were supported by incubators, including the non-financial services they received, had a higher success rate as illustrated by Aaboen (2009), and Lewis et al. (2011).

Since the evolution of business incubators (BI) in the 1980s (Bruneel et al., 2012), Allen and McCluskey (1990) attempted to classify the development of the different structures of business incubators into three main generations through developing the Business Incubator Continuum (BIC). Even though the different forms of BI generations remained operating next to each other, it is argued by Aerts et al. (2007) that the dramatic shift of BI took place when their strategies started to focus on for-profit business development. In 2002, the European Commission identified incubators aimed at developing for-profit businesses as the “new economy incubator”; in addition to their focus on developing for-profit businesses, they were also focusing on the Information and Communication Technology (ICT) sector. Following the evolution of the “new economy incubator”, another new form started to develop which by 2010 came to be known as the Business Accelerator (BA) or Startup Accelerator (SA); illustrated by Tozzi (2011), over 100 business accelerators were reported worldwide in 2011.

While incubators have been acknowledged as one of the most effective tools in supporting and developing entrepreneurial startups, they have been criticised in the literature. According to Tamasy (2007), and Phan et al. (2005), assessing the performance of incubators has been a difficult issue, as most of incubators are not-for-profit organisations. Also as incubators are publicly funded, they have over-reported the success of startups for the purpose of keeping public funds (Tamasy 2007, Phan et al. 2005). Furthermore, and according to Voisey et al. (2006), it is difficult to assess the incubators’ success as they provide different levels and quality of services: some incubators may provide the full range of services to entrepreneurs, some may provide only office space and other office-related services such as equipment and supplies. As illustrated by Dee et al. (2005), assessing the incubators’ contribution to the economy is difficult due to the non-profit seeking nature of most of them, whether they are public or private.

Business accelerators (BA), as defined by Christiansen (2009), Gilani (2011) and Miller and Bound (2011), are mainly privately owned for-profit enterprises providing seed capital to high-growth potential entrepreneurs, work space, mentoring, consultation, and business services. BAs are funded by angel investors and venture capitalists, who are involved to varying degrees in the management of the startups they finance, and their main objective during the growth cycle of the business is to make profit through selling their shares to ventures capital firms. In explaining the main objectives of business accelerators, Dalziel (2012) differentiates between a business incubator and an accelerator in terms of the nature of finance provided, startup companies served, services provided and involvement in management. Through identifying the differences between business accelerators and incubators, Dalziel (2012) relies on the definition provided by the Entrepreneurs' Advisor (2012) as follows:

“A business accelerator is very similar to an incubator in that they usually have a greater focus on companies entering or growing in a national or global market. Business accelerators are more likely to be financed by venture capitalist looking for an opportunity to finance growth potential through defined action plans. Business accelerators will generally offer all of the services offered by a business incubator. The key difference is the level of hands on involvement”.

Even though the national experts' perspective, as stated in the GEM (2012) report, about the areas constraining entrepreneurial activities in Egypt is the lack of financial resources. The national experts' believed that this problem should be addressed by improving the availability of new funds and banking tools such as the venture capital and private equity.

Unfortunately, the national experts' perspective did not consider the role of either the incubators or the accelerators, despite the fact that the first accelerator started in Egypt in 2011. Furthermore, nor the GEM (2014) or the generic BEEP model presented by

Isenberg (2010) considered the role of the business accelerators and incubators in the financial domain of promoting entrepreneurship.

2.11: Conclusions

The various models discussed above include many elements that are essential to entrepreneurship, such as the personal characteristics of the entrepreneur, the entrepreneur's readiness, intention, and alertness to opportunities, and the effective use and allocation of the resources required to start a business. Furthermore, as discussed by Bridge (2010), some people are entrepreneurial, other people need to be encouraged, and some cannot become entrepreneurs even with the existence of market opportunities. Furthermore, the literature on entrepreneurship has demonstrated different levels of significance of entrepreneurship on economic growth and development (GEM 2014), and that as argued by Isenberg (2010) all the models and frameworks of entrepreneurship are not generalizable. Therefore, entrepreneurship development whether in developed or developing economies differ according to each economy's stage, level, and unique circumstances.

Government plays a crucial role in terms of setting the effective and efficient legal and legislative frameworks for business startups and the private sector. However, governments in developing countries have different priorities (GEM 2014) as they are more focused on the development of physical infrastructure and national projects. Thus, whether entrepreneurship development is on the priorities of government or not, it is still important that government enhances the business legislation and legal frameworks that empower the private sector and encourage business startups.

The rise of accelerator companies and their forms as for-profit businesses that are actively involved in the management of new businesses represents a new gateway to entrepreneurship development. We assume that evolvement of the accelerator will be more beneficial to entrepreneurship development compared to government or public

initiatives such as incubators that have been criticized by their high business failure rates (Tamasy 2207, Phan et al. 2005). Governments cannot take the responsibility alone in addressing entrepreneurial challenges, and especially in developing countries, and through effective communication with accelerators, government officials will get better and in-depth understanding about the entrepreneurial challenges from involved professionals by which they will be more capable to address these challenges effectively.

Chapter 03

Research Design and Methodology

3.1: Introduction

Studies in entrepreneurship have examined multiple and different aspects of entrepreneurship at the micro and macro levels. Some have focused on the classification of entrepreneurs according to the functional or personal characteristics of the entrepreneur, while others have concentrated on classifying entrepreneurship according to the development angle and/or business sectors in which entrepreneurs operate (Cantillon 1755, Say 1803, Schumpeter 1934, McClelland 1961, Drucker 1985, Kilby 1971, Shapero 1975, Stevenson 1983, Gartner 1985, Pinchot 1985).

In addition to the various definitions of the entrepreneur and entrepreneurship, several studies have focused on attempts to study and describe the phenomenon of entrepreneurship, such as the Global Entrepreneurship Monitor (GEM) report, OECD Entrepreneurship Indicators Programme (EIP), and the Global Entrepreneurship Development Index (GEDI). These studies are widely acknowledged as attempting to produce comparable data about entrepreneurial activities across different economies to show how entrepreneurship is affected by that economy; they also explore entrepreneurship from a macro-economic perspective in which the overall policies of each economy are considered.

Most of these studies, such as the GEM, OCED EIP, and GEDI (Acs, Szerb, and Autio 2015), rely heavily on three sources of data: the formal records of businesses, birth and death rates from governmental agencies, and questionnaires from a sample of entrepreneurs that represent the population. Even though the reports are acknowledged to present valuable data about entrepreneurial activities according to different economic development stages, Isenberg (2010) argues that the models of entrepreneurship

developed according to these results are not generalisable, and can only be considered as best practice. Therefore, and as concluded by Isenberg (2010), the successful practice of entrepreneurial activities in one economy might not be successful in another, even under similar settings, due to overall differences in economic circumstances.

The question of whether entrepreneurship can only succeed in developed economies, or whether developing economies can rely on entrepreneurship as one of the key factors in economic development, remains unanswered clearly. Some researchers argue that the opportunity entrepreneurship ratio is higher in developed than in developing countries (OECD 2010, GEM 2014), and that entrepreneurship in developing countries faces more barriers (El Namaki 1988). Other researchers argue that developing countries have a better chance of entrepreneurship development due to the existence of more opportunities (Ho and Wong 2007, and Valliere and Peterson 2009), but face the problem, in addition to entrepreneurship barriers, of the lack of appropriate policies, frameworks, and infrastructure (Minniti 1999, Acs et al. 2008).

As developing countries are not able to focus on constructing support for entrepreneurship as they are more concerned with the development of national projects and physical infrastructures (GEM 2014), so it is a challenge for governments in developing countries to foster entrepreneurship without being able to allocate the required resources to do so. Furthermore, and as demonstrated by the GEM (2014), most developing countries have higher rates of necessity entrepreneurship, meaning entrepreneurship is just seen as an alternative to unemployment; governments in developing countries rely on promoting necessity entrepreneurship to address high unemployment levels by encouraging individuals to start their own businesses, mainly in very traditional business sectors with very limited growth potential and low risks.

3.2: Entrepreneurship support through NGOs

In 2006 a group of small business owners, including myself, started a non-governmental organisation (NGO) in Alexandria, under the name of Entrepreneurs Business Forum (EBF) aiming at promoting entrepreneurship in Egypt through empowering current entrepreneurs, and encouraging potential entrepreneurs. At that time, one of the major governmental programmes, the Social Fund for Development (SFD), aimed at encouraging business startups, but it was mainly focused on promoting the idea of “starting your own business” as an alternative to unemployment; interested individuals and targeted groups were offered a business startup loan with very competitive interest rates, and longer payback period.

The only concern with the SFD funding programme is that it was targeting only businesses that were associated with low risks, supporting businesses in very traditional sectors with very limited business growth potential, and thus not associated with any level of creativity or innovation. For instance, most of the interested individuals were asked to choose between ready-made business models, and depending on their targeted geographic area, they would have to decide which business sector could best suit this geographic area. Therefore, the SFD funding programmes were only targeting the necessity entrepreneurship type, lacking totally the focus on funding innovative and creative business ideas, and thus ignoring the opportunity entrepreneurship type. Besides the SFD, some of the national commercial banks were offering different business startup funding programmes, but also aiming at promoting the necessity entrepreneurship type.

As a founding and board member at that time, I participated in each and every initiative and project since its planning to execution. Furthermore, I was involved in the analysis of outcomes in order to identify the weaknesses and strengths of each of our activities to ensure the positive impacts of the organizational initiatives and projects.

Furthermore, I was involved with working with potential partners and fundraising bodies to ensure the allocation of the required resources for each organizational initiative and project.

a. The Business Idea Award Competition

In attempting to support potential opportunity entrepreneurs, EBF launched the first Business Idea Award (BIA) competition that encouraged individuals to submit their business plans to potential investors. The top three best business ideas would receive a non-refundable sum to start their own businesses. The project was funded by corporate sponsors, as well as major international funding bodies, such as the US-AID and the Canadian International Development Agency (CIDA) in Egypt, and through this funding, EBF was able to tour Egyptian colleges and universities, as well as holding several launch events in major Egyptian governorates and cities.

The BIA competition was considered one of the most successful projects managed and implemented by EBF, and it ran for three consecutive years (from 2006 to 2008). A group of potential entrepreneurs who took part in the competition started a business unit under the sponsorship of EBF called the Startup Club, regularly meeting to enrich their business skills through ongoing seminars and workshops aiming at improving their business plans and reframing their business ideas. The Startup Club, another success for EBF, was considered the first formal gathering of potential opportunity entrepreneurs in Egypt.

In 2009, the board members decided to increase the number of winners in the BIA competition by identifying five business sectors with three winners in each. The board decided the five sectors should be agriculture, information and communication technology, manufacturing, business services, and a general category, to allow participants in other business sectors to participate. Unfortunately the number of

participants decreased tremendously, and feedback about the new BIA structure was disappointing; participants felt that their creativity and innovation were limited to the number of business sectors identified, and also increasing the number of winners reduced the competitive element of the BIA.

b. The Success Stories Book

As a consequence, the EBF board members decided to abandon the BIA competition and to focus on different entrepreneurship development projects. One of the main entrepreneurship barriers in developing countries, as illustrated by El-Namaki (1988), is the fact that recognition of entrepreneurs within the economy is lower in developing than in developed countries. Recognising the existence of this barrier in Egypt as a developing country, EBF board members decided to publish a book that recognised the top fifty Egyptian entrepreneurs. This project was of extreme importance as it focused on entrepreneurs who had been successful, but who did not get the appropriate attention of the media and publicity within the community. The project was funded by CIDA, and over five thousand copies were printed and distributed for free, in addition to its availability online at the EBF website.

c. The Egyptian Business Angels Network (EBAN)

As the startup club started to grow through the increasing number of the BIA competition participants and members' networking events, EBF started to realise the importance of offering programmes that would further assist and empower potential entrepreneurs towards starting their own businesses. As one of the main recognised barriers to entrepreneurship in either developed and developing countries is access to finance, as illustrated by El-Namaki (1988) and the GEM (2014), and especially equity finance, the EBF board members decided to develop the first business angels network, the Egyptian Business Angels Network (EBAN), to connect potential entrepreneurs

with investors who could provide capital in return for equity, in addition to providing vital technical support and assistance.

According to Abdulsaleh and Worthington (2013), equity finance is viewed more positively than debt financing especially for new business startups as the cost of financing is zero, whereas debt financing is associated with high interest rates that are even higher when financing opportunity entrepreneurs due the high risks associated with their business ideas. The study of OECD (2015) about equity finance in developing countries concluded that venture capital and private equity in developing countries do not tend to focus on providing finance to new business ventures, but instead are more concerned with the acquisition of current businesses for the purpose of restructuring and reselling the business for profit.

From this perspective, and in the absence of appropriate equity financing firms for business startups, EBAN was considered to be one of the first organisations to connect potential entrepreneurs with angel investors providing equity finance to business startups, as well as providing support, consultation, technical support, and business and networking connections during the startup phase. Even despite the lack of the appropriate legal and commercial framework for private equity and venture capital firms in developing countries, as illustrated by OECD (2015), the number of angel investors and potential opportunity entrepreneurs grew unexpectedly resulting in many new business formations.

Specifically, in 2011, a new form of companies started to develop called “Business Accelerators”, a form of an angel investment company instead of an angel investor individual. Business accelerators are mainly founded by angel investors who enjoy strong and valuable business connections, and aim at finding potential entrepreneurs who are seeking equity finance and support. Business accelerators, like business angels, are interested in the startup phase of a promising business; upon successful startup and

growth phases of the business, they seek to let go of their shares for profit to venture capital firms that can invest more money in the business towards improving performance and sometimes towards Initial Public Offering (IPO) in the stock market.

d. Concluding remarks

Since our foundation as an NGO, we have mainly focused on attempting to empower opportunity entrepreneurs through addressing government policies, legal and commercial structure, entrepreneurship education, and debt financing structure, identified by the GEM (2014) as being some of the major barriers to entrepreneurship in developing countries. We recognised that attempting to address barriers where the government is involved is difficult and time-consuming, as it requires changes in the law. But through the successful implementation of the EBAN and the growth of its activities in terms of number of angel investors, business accelerators, entrepreneurs and thus entrepreneurial business startups, we realised that supporting opportunity entrepreneurship can be achieved through other frameworks that involve parties from non-governmental sectors such as the EBAN, by bringing together entrepreneurs and an NGO that provided support, training, and equity finance to entrepreneurs through angel investors, business accelerators, and venture capital firms.

3.3: Research Methodology

The research aims at gaining an in-depth understanding about the parties involved in the entrepreneurial process in Egypt as a developing economy, from which a process model for fostering opportunity entrepreneurship in similar countries can be developed. The research will study the entrepreneurial process from the idea development stage, prior to the business startup, to the stage of the successful implementation, maturity and growth of the business. The study will investigate the role of each party involved in the process, such as market-based financing structures, support and mentoring provided by

investors and non-governmental organisations, and the networking and communication structures that engage potential opportunity entrepreneurs with other parties.

In assessing the basic differences between quantitative and qualitative research approaches, Lee (1992), and Tuli (2010) argues that the main differences between the two modes of research can be viewed in the ontological and epistemological assumptions, the aim of the inquiry process, and the role of the researcher, the relationship between the researcher and participants, and the method of research. According to Lee (1992) and Tuli (2010), the ontological assumptions in qualitative research methods are subjective, whereas they are objective in quantitative methods. Regarding the epistemological assumptions, Tuli (2010) differentiates between the two modes where quantitative methods rely on a positivism paradigm, whereas qualitative methods rely on phenomenology. Concerning the aims of inquiry, quantitative research methods aim at universality, where the qualitative methods aim at particularity (Lee 1992). Regarding the role of the researcher and their relationship with the research participants, Lee (1992), Tuli (2010), and Creswell (2013, p.44) argue that in quantitative methods the researcher is an outsider and detached from the research participants, whereas in qualitative research methods the researcher is involved and an insider. Finally, as illustrated by Lee (1992) and Allwood (2012), quantitative research methods rely mostly on statistical data and analysis, whereas qualitative methods aim at providing description and interpretation of the data.

From an epistemological, ontological, and methodological perspective, Tuli (2010) differentiates between qualitative and quantitative research approaches. According to Tuli (2010), the two broad epistemological positions are interpretivism / constructivism, and positivism, where interpretivism / constructivism is the theoretical context of the qualitative research, and positivism is the theoretical context of the quantitative research. Thus from an epistemological perspective, and as demonstrated

by Tuli (2010), the assumptions of qualitative research reject the positivist's paradigm, and believes the existence of multiple subjective realities that are constructed differently based on the participants. For Ulin, Robinson and Tolley (2004), the methodology of qualitative research depends on personal contact between researcher and research participants over a period of time.

From an ontological perspective, related to the nature of reality, and according to Tuli (2010), researchers adopting a quantitative approach assumed that reality needs to be discovered using methodologies that are scientific, while the qualitative research approach assumes that reality cannot be discovered without the interpretation of people, and that the interpretations of people cannot be detached from making sense about situations. Finally from the methodological perspective, which is the translation of the research strategy based on the epistemological and ontological assumptions as illustrated by Sarantakos (2005), Tuli (2010) argues that the quantitative research approach requires a methodology that is objective and detached to test hypotheses and measure variables that can explain casual relationships, whereas qualitative research requires a methodology that is subjective as it aims at formulating a meaning from the participants' interpretation about their experience.

Lee and Jones (2015) explored entrepreneurial social capital studies from the objectivist approach adopting the positivist-realist and structuralist paradigms, and the subjectivist approach adopting social constructionist paradigms. While acknowledging the contribution of each approach and paradigm to the entrepreneurship social capital researches, Lee and Jones (2015) demonstrated the strengths and weaknesses of each paradigm within the objectivist and structuralist approaches. According to Lee and Jones (2015), positivists are more concerned with verifying observable laws through collecting empirical evidence. On the other hand, as described by Lee and Jones (2015), constructionists do not accept the idea of universal reality as they are more concerned

with understanding the human experience through the perceptions of individuals. As demonstrated by Lee and Jones (2015), positivist researchers tend to rely on quantitative research techniques through collection and statistically analyzing large amount of data, while constructionists rely on qualitative research techniques through interpretations of human perceptions about their experience.

Based on the objectives of the research, studying the market-based entrepreneurial process in Egypt will follow a qualitative research approach based on the interpretive and constructive paradigms (Secker et al. 1995, Kuzel and Like 1991, Altheide and Johnson 1994, Guba and Lincoln 1994, Tuli 2010, Lee and Jones 2015, Allwood 2012). From the ontological perspective, as argued by Berger and Luckmann (1966), there is an ongoing construction of reality where a single reality does not exist, and instead there are multiple realities. From an epistemological perspective, as argued by Smith (1983), accessing realities cannot be done objectively and independently from our minds, and that the researcher and the object being studied are linked together. Furthermore, qualitative research inquiry is mostly concerned with the study of small samples that can provide meaningful and important information, not just because they represent a certain population (Reed et al. 1996).

In examining the qualitative research approach, Creswell (2013, p.47) argues that it is characterised by the researchers' tendency to collect data in the field from participants (LeCompte & Schensul 1999, Marshall & Rossman 2006, Hatch 2002). Furthermore, the researcher is considered as a key instrument of the research process (Hatch 2006), who relies on multiple sources of data (LeCompte and Schensul 1999, Marshall & Rossman 2006). Moreover, the researcher adopts an inductive analysis of data (LeCompte and Schensul 1999, Marshall and Rossman 2006, Hatch 2002), where meanings are constructed through the research process from the participants' perspectives. Also, as described by Creswell (2013, p. 49), the qualitative research

process is emergent, and change may occur in any phase of the process. Furthermore, the researcher adopting a qualitative research approach cannot be independent from their background and prior knowledge (Creswell 2013, p. 50).

Creswell (2013, p. 68) identifies five main approaches to qualitative research which are: narrative research, phenomenology, grounded theory, ethnography, and case study. As demonstrated by Creswell (2013, p. 104), each approach has different characteristics based on the researcher's aims, focus, and objectives. As the research is concerned with seeking to understand the experience of a group of entrepreneurs that were able to start their own businesses through market-based entities, the phenomenological research approach would be the best match for the research's aims and objectives. According to Creswell (2013, p. 76), phenomenological research approach is concerned with studying and exploring the essence of the lived experience of a group of individuals to understand the phenomenon. In this approach, as illustrated by Moustakas (1994), the researcher attempts to collect information from individuals who have experienced the phenomenon being studied in order to develop a description that demonstrates the essence of the lived experiences of those individuals.

Despite the advantages of the qualitative research approach in general and phenomenological approach in researching entrepreneurship in particular, (Cope 2005), Creswell (2013, p. 82), Borrego et al. (2009), and Aspers (2009) discuss several challenges associated with the phenomenological approach. One of the major limitations and challenges of qualitative research, as illustrated by Creswell (2013, p. 82), Borrego et al. (2009), is generalisability, as due to the minimal number of participants in qualitative studies compared to quantitative studies, results produced cannot be generalised.

Furthermore, research rigour and relevance (Shah and Corley 2006) are seen as more consistent in quantitative than in qualitative studies. Moreover, and as demonstrated by

Creswell (2013, p. 82) based on the argument of van Manen (1990), participants in phenomenological research should be carefully chosen to ensure that they have shared the experience of the phenomenon being studied. Cope (2005) argues that it is difficult in phenomenology for the research method to be neutral from the research subject, and that the researcher provides a second-order view of the participants' interpretations.

Major entrepreneurship studies, such as the GEM (2014), the OECD (2007) and the GEDI (Acs, Szerb, and Autio 2015) that rely heavily on quantitative research approaches, have not resulted in the production of a unified model of entrepreneurial activity (Isenberg 2010). The current research does not aim at producing generalisable results; thus, generalisability issue would not be considered a challenge. Regarding the research's rigour and relevance, as outlined by Shah and Corley (2006), as the current research does not intend to produce or test a theory, following the empirical phenomenological qualitative research approach, as illustrated by Creswell (2013, p. 101) and Moustakas (1994), will be of value to the research's rigour. In terms of relevance, the research results are expected to hold a high degree of relevance for other individuals who follow the same path as the research participants. Finally, by following a phenomenological research approach to the inquiry will assure that the research participants have shared the same experience.

3.4: Sampling and Research participants

The purpose of sampling, according to Easterby-Smith et al. (2012, p.223), is to gain accurate understanding about the study of population as a whole. Sampling design is based on two main principles: representativeness, which is the extent to which the sample represents the population; and precision, which is the extent of credibility of the sample. In addition to the sample's representativeness and precision, Easterby-Smith et al. (2012, p.225) argued that a researcher should avoid the non-response and bias of

participants through effective and efficient sample design in order for the results to be safely applied to the research population, and contain minimal errors.

The literature on sampling in qualitative research in general, and in phenomenological approaches in particular, has not led to standardised methods to be adopted; there remain many debates about the type of sampling and methods of data collection and analysis. Onwuegbuzie and Leech (2007) introduced three main strategies to sampling design in qualitative research: parallel sampling, nested sampling, and multi-level sampling. According to Onwuegbuzie and Leech (2007), parallel sampling design is concerned with the strategies that will enable the researcher to compare two or more groups taken from the same levels of study, while nested sampling enables the researcher to compare two or more members within the same group. In multi-level sampling design, strategies enable the comparison between two groups that are taken from different levels of the study.

From another perspective, Oppong (2013) identifies three sampling techniques in qualitative research: the convenience, the judgment, and the theoretical sampling techniques. In Oppong's study, convenience sampling technique is viewed as the least credible, as the researcher decides on the sample depending on what is most convenient to him/her in terms of cost, effort, and time, meaning that the research outcome will be low in quality. Judgment sampling technique, as demonstrated by Oppong (2013), is viewed as the most widely recognised technique as it is purposeful; the researcher selects study subjects who are experienced and knowledgeable about the objects or issues being studied in the research. The third sampling technique, as illustrated by Oppong (2013), is more concerned with theoretical investigations, where the researcher selects a sample for the purpose of testing a constructed theory. According to Coyne (1997), theoretical sampling is viewed as the best technique for researchers adopting a grounded theory approach, where the aim of the researcher is to construct a theory. In

exploring the differences and similarities between selective, purposeful, and theoretical sampling techniques, Coyne (1997) argues that there are many similarities between purposeful and theoretical sampling.

Qualitative research approaches are associated with many challenges, as argued by Denzin and Lincoln (2005) particularly as researchers need to overcome representation, legitimacy and praxis challenges. Adopting the appropriate sampling technique is crucial in dealing with these challenges. According to Denzin and Lincoln (2005), the representation challenge deals with the ability of the researcher to use text to authentically represent the experience of the participants involved; the legitimacy challenge deals with the validity, generalisability, and reliability of the research results; and finally the praxis challenge is concerned with how the research results can be evaluated in the context of contemporary and post-contemporary periods. In addition, Onwuegbuzie and Leech (2007) presented three types of generalisability which are: the case-to-case transfer, the analytical, and the statistical (internal / external) generalisability types. They argue that in case-to-case transfer the aim of the researcher is to generalise the results from one case to another similar case; where as in analytical generalisability, the researcher aims at fitting selected cases within the general construct of a theory; and finally in statistical generalisability, the researcher generalises the results through the use of statistical methods and techniques.

For Onwuegbuzie and Leech (2007), the sample size is significant in qualitative researches due to the challenge of generalisability, but according to Marshall, Cardon, Poddar and Fontenot (2013), the number of participants in qualitative studies is usually small, as there is a lack of standards for sample size in qualitative research. Despite the sampling methodologies and techniques in qualitative research approaches and how they vary according to the research aims, objectives, and the approach being adopted, the sample size also varies according to the qualitative research approach adopted and

the object being studied. The number of participants, according to Creswell (2013, p. 120), varies depending on the approach; the number of participants in a case study or narrative research can often be a single individual, and in other cases might be one or more individuals. If a researcher is adopting a phenomenological approach, as illustrated by Creswell (2013, p. 155), the number of participants will fall between five and twenty-five individuals who share the same experience or phenomenon being studied. In grounded theory approach, the participants fall between twenty to thirty in order to achieve the details within the theory being constructed and tested (Creswell 2013, p. 155). Finally, and as identified by Creswell (2013, p. 155), if the researcher is adopting an ethnography approach, the number of participants is usually a small number as the aim is to interpret and describe a culture-sharing group

As the research aims at studying the process among entrepreneurs, NGOs, and business accelerators, it will rely on the purposeful sampling technique, by which the participants will be selected based on their experiences through partnering with business accelerators in return for equity. In addition to entrepreneurs, the research will include one business accelerator, and one NGO that were involved in the entrepreneurial process. The research will also include six opportunity entrepreneurs who have successfully started and maintained their businesses for a minimum of three years without any focus on specific business sectors, entrepreneurs' age, or gender. The participating NGO and business accelerator will be involved in the identification of research participants in order to gain an in-depth understanding of how the opportunity was realised and presented to the NGO and business accelerator, and how the decision-making process went from the opportunity realisation to implementation and growth.

3.5: Methods of data collection, analysis and representation

According to Creswell (2013, p. 148), in phenomenological qualitative research data is collected by interviews with research participants, and the research will adopt a purposeful sampling, as demonstrated by Cope (2005), as the participants are all sponsored by the participant accelerator. There are several types of interviews, each used according to the research aims and objectives. According to Easterby-Smith et al. (2012, p.126), qualitative data collection methods fall into three groups: natural language data, interactive data, and ethnographic data. Ethnographic data refers to the data collected through observing the setting and the symbols, and it involves the use of audio-visual techniques. Interactive data, as demonstrated by Easterby-Smith et al. (2012, p.151), refers to the collection of data through cooperation and interaction between the researcher and the research participants. Finally, the natural data method is based on collecting data from research participants through interviews. According to Creswell (2013, p. 148), interviews are the most common form of collecting data in qualitative research, specifically when adopting a phenomenological approach. There are three main structures of interviews, as demonstrated by Easterby-Smith et al. (2012, p.127): interviews may be highly structured, semi-structured, or unstructured, and each structure requires certain levels of awareness and skills from the researcher. In structured interviews, the researcher relies on the use of a previously identified set of questions with the aim of achieving a high level of standardisation. The use of semi-structured interviews, as illustrated by Easterby-Smith et al. (2012, p.128), allows the researcher to have some degree of flexibility, as the researcher uses some previously identified questions while having other open questions for discussion with the research participants. Finally, the unstructured interview is associated with the highest level of flexibility, in that all the questions are open, but as demonstrated by Easterby-Smith et

al. (2012, p.128), the researcher should be highly aware and hold strong understanding about the subject being studied.

As illustrated by Creswell (2013, p. 150), the data-collection interview is one of the most commonly used methods for conducting qualitative research, and when deciding to use this approach, the researcher should consider several factors that will affect the quality of interviews. According to Creswell (2013, p. 150), the researcher must consider how to conduct the interview, whether face-to-face, via email or phone, or through the internet. Furthermore, the interviewing skills of the researcher are of great importance to the quality of the interview (Easterby-Smith et al., 2012, p. 136). If he or she is to gain the trust of the participants they must use appropriate language, recognise what is significant and relevant, and be attentive to social interactions with participants.

In order to gain an in-depth understanding of how the entrepreneurial process is constructed among the entrepreneurs, the NGO, and the business accelerator, an in-depth interview will be conducted with the NGO and the business accelerator. This interview will provide an overview about how the business idea presented by entrepreneurs was perceived as an opportunity, how the financing and support structures were constructed, and how the business sustainability and growth were achieved through the financial and technical support provided to entrepreneurs. Furthermore, and in order to capture the essence of the entrepreneurial experience, multiple interviews will be conducted with the research participants, in which they will be asked to express their perspectives of the entrepreneurial process in the form of 'milestone stories'. In these stories, entrepreneurs will describe their business and personal backgrounds; how and by whom they were inspired to start their own businesses; how they realised the opportunity; how they got in contact with the NGO; how the NGO supported their ideas and empowered them; how they were put in contact with the business accelerator; how they received support and empowerment from the

business accelerator and how this has impacted their businesses; and finally how they went through the implementation, sustainability, and growth phases. As the research will be focused on gaining an in-depth understanding about the process of opportunity entrepreneurs who were supported by NGOs and business accelerators in Egypt, the research questions will avoid tackling any issues that are related to corruption levels in developing countries, and to the legal and regulatory barriers to business startups. Following analysis of the first interview, participants will be interviewed again for the purpose of exploring their experiences if required.

Qualitative data can be generally analysed through three main strategies (Madison, 2005; Huberman and Miles, 1994). As argued by Creswell (2013, p. 187), strategies may vary according to the qualitative approach being adopted by the researcher. In phenomenological research, data should be analysed by creating a list of significant statements for the purpose of formulating meanings called “meaning units” that are non-overlapping and non-repetitive. Upon the creation of meaning units, as demonstrated by Creswell (2013, p. 190), a textual description of what the research participants experienced is created, and then a structural description of how the research participants experienced the phenomenon. Finally, and as demonstrated by Creswell (2013, p. 190), combining structural and textual descriptions will demonstrate the essence of the phenomenon experienced by the research participants.

3.6: Conclusions

As the nature of the phenomenological research approach is qualitative, as demonstrated by Cope (2005), gaining insights into the lived experiences of research participants can be achieved through in-depth semi-structured interviews. The interview questions will avoid tackling any participants’ experience regarding political and legal issues related to starting a business in Egypt as a developing country, as this

issue is sensitive and participants will not feel comfortable discussing these issues. The participants have been nominated by the accelerator for the purpose of the research, in order to select 'rich cases' of entrepreneurs who have been sponsored by the same accelerator. The research participants, whether entrepreneurs or the accelerator, were chosen to be representative, but neither can be considered to represent their entire group.

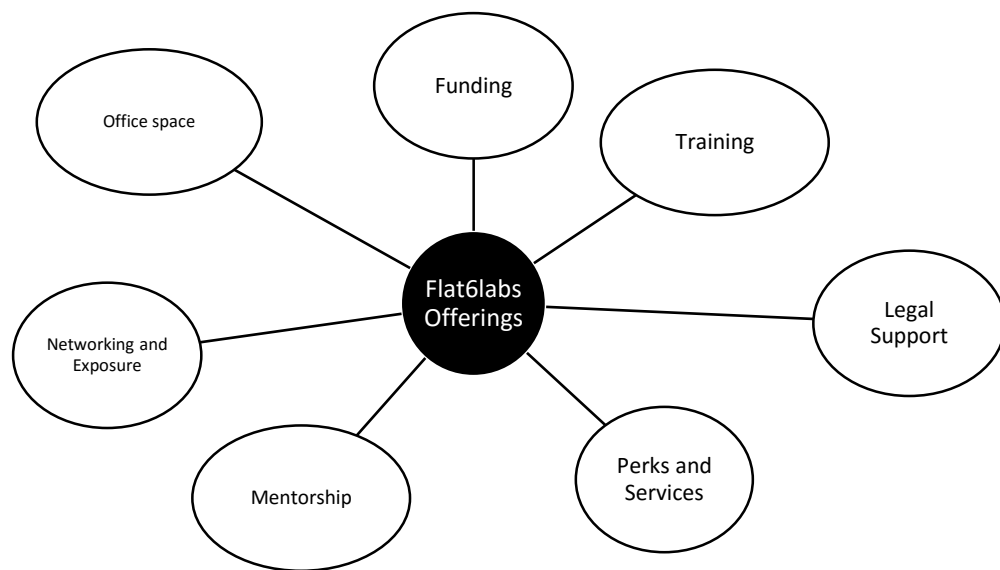
Based on the accelerator's nominations, the participants were invited to participate via email that includes a brief explanation of the research aims and objectives, and a detailed explanation of the data collection procedures during the interview. Furthermore, the participants were informed that upon the completion of the verbal interview, a transcript of the interview will be sent for their review and approval, and upon their approval the data will be analysed. The revised and approved interview scripts will be read several times in order to extract and identify the participants' significant statements. Upon identifying the significant statements, I will identify the themes in order to construct the units of meaning to the participants' statements for both the entrepreneurial and institutional perspectives.

Chapter 04

Data Collection and Analysis

4.1: Introduction

As the accelerator model is relatively new, evolving worldwide in 2010, we will briefly introduce the business model of the accelerator that was used as the basis of this research. Accelerators have operated in Egypt since 2011, under very challenging business, economic, and political circumstances due to the Egyptian revolution that took place in January 2011. Flat6labs is considered to be the first accelerator in Egypt, and it was founded by a group of successful entrepreneurs who believed in the business potential of partnering and sponsoring opportunity entrepreneurs who had promising innovative and creative business ideas.



■ **FIGURE 4.1: FLAT6LABS SERVICES**

4.2: About the accelerator (Flat6labs)

Flat6labs started in Egypt in October 2011 with the mission of creating more entrepreneurial hubs in an energetic ecosystem across the Middle East and North Africa (MENA) region. Flat6labs aims to foster bright and passionate entrepreneurs who have

creative, innovative, and cutting-edge business ideas. They offer seed funding, creative office workspace, strategic mentorship, focused entrepreneurship business training, access to a large and expansive network of partners, and a multitude of perks. As illustrated in Figure 4.1, through its network of over fifty five mentors, over two hundred and fifty investors, strong partnerships with the media, and a strong team of founders with successful entrepreneurial background, entrepreneurs are empowered to overcome their challenges and to start their business by being sponsored by a partner that offers all the required resources for a strong and successful business startup.

As a member of the Global Accelerators Network (GAN) since its launch, by 2014 Flat6labs expanded in the MENA region to offer their services in Jeddah, Beirut and Abu Dhabi. By the end of 2014, Flat6labs had completed ten sponsorship cycles, sponsored over one hundred and sixty entrepreneurs who started around sixty eight companies creating over four hundred jobs, and over 50% of their sponsored entrepreneurs were able to get funding after the completion of the incubation period. As outlined in Figure 4.2, the process of Flat6labs is very straightforward, where entrepreneurs apply for the programme by submitting their business ideas online, and upon acceptance they are sponsored through the incubation period, and finally in the growth period they are prepared to engage with the investors' community during a demo day.

When Flat6labs started in 2011, their basic sponsorship package for opportunity entrepreneurs was incubation in their fully serviced office space for a period of three months, in addition to a fixed amount of seed capital of 75,000 EGP (approximately US \$10,000) in exchange for a 15% share of the company being sponsored. The company formation procedures are standard for all types of companies according to the Egyptian law: a limited liability partnership company. Interested potential entrepreneurs apply online via the Flat6labs website, and upon the evaluation of the

business ideas selected, the candidates are invited to make a more detailed presentation. After the completion of the incubation period, a demo day is organised by Flat6labs, where a group of venture capitalists, venture capital firms, angel investors, and other investors are invited to view how business ideas have been successfully developed into operating companies. At this stage all sponsored entrepreneurs are seeking to raise funds through attracting investors.

Upon the completion of the first round, the Flat6labs team realised from the experience and feedback from sponsored entrepreneurs that the incubation period was too short, that the seed capital provided need to be increased, and that entrepreneurs who were not able to raise funds in the demo day at the end of the incubation period would struggle to operate on their own. For promising companies that were not able to raise funds, the Flat6labs team decided that they might reinvest themselves to keep the company growing, and for those companies that did not achieve the required level of success during the incubation and did not attract new investors, Flat6labs team decided that they would not reinvest, leaving them to survive on their own.

In the second round, the Flat6labs team changed the incubation period from three to six months, with one month for extensive preparation prior to the incubation period, three months of incubation in the shared office space, and two months of attempting to attract new investors to raise funds. Even though the Flat6labs team retained the demo day at the end of incubation period as part of their process, they planned to hold it within a period of two months after the incubation period to connect entrepreneurs with investors through their network,



■ **Figure 4.2: Flat6labs acceleration process**

4.3: The interview questions and process

Eight interviews were conducted to include the CEO of Flat6labs (the startup accelerator), the chairman of Entrepreneurs' Business Forum (the NGO), and six entrepreneurs who were sponsored by the startup accelerator. For all the participants, the data was collected using a structured interview, with a set of predefined questions. The interviews were conducted through face-to-face meetings and via Skype, and all the interviews were recorded with the prior approval of the participants. For the sponsored entrepreneurs, the interview questions were as follows:

1. Who (or what) influenced the decision to start your own business?
2. Why did you start your business through a start-up accelerator?
3. What were your perceived challenges to business start-up?
4. Did starting your business supported by a start-up accelerator help in overcoming these challenges?
5. What are the advantages and disadvantages of using a start-up accelerator?
6. Would you recommend a start-up accelerator to other entrepreneurs who are about to start their own businesses?
7. Please briefly describe your experience versus expectations of using a start-up accelerator to set up your own business.

The interview with the CEO of Flat6labs (the startup accelerator), and the chairman of EBF (the NGO) took a different perspective for the same questions asked of entrepreneurs. For the CEO of Flat6labs, and in addition to gaining better insight about the process and business operation of the startup accelerator, the interview questions were rephrased to gain an in-depth insight into their experiences with over 160 entrepreneurs. I wanted to understand, from their perspective, how entrepreneurs are motivated to start a business, why they decide to start with a startup accelerator, what their perceived challenges are, how they help entrepreneurs overcome their challenges, the advantages and disadvantages of the startup accelerator process, the recommendation they get from sponsored entrepreneurs, and the assessment of the entrepreneurs' experience versus perceived expectations.

The interview with the chairman of EBF also attempted to explore their perspective on entrepreneurs sponsored by a startup accelerator by asking him the same set of questions as the CEO of Flat6labs. Moreover, as EBF is operating with the aim of empowering entrepreneurs, and as the model of the startup accelerator is considered new in Egypt and elsewhere (it started first in the United States in 2005), I asked him about his assessment of the model, and how this model can be improved towards better empowering opportunity entrepreneurs in Egypt.

Upon the completion of the interviews, a summary was constructed as shown in Table 1 based on the seven questions that were asked to the entrepreneurs along with the perspectives of the startup accelerator and the NGO about these questions. Furthermore, the interviews were reviewed and read several times for interactional analysis according to two main perspectives, the institutional perspective of the chairman of the NGO and the CEO of the startup accelerator, and the entrepreneurial perspective of the participant entrepreneurs.

Being an insider researcher, and one of the founders of EBF (the participated NGO), gave me the privilege of building a trust relationship with the research participants, by which I was able to actively interact with participants during the interview. The interaction with participants during the interview helped me in gaining more in-depth understanding about how the participants dealt with the situations along their journey with the accelerator.

Furthermore, analysing the participants' reactions to different situations prior and after the accelerator's sponsorship period was very important to gain an understanding of how their perspectives, both entrepreneurial and institutional, changed according to each milestone. Moreover, it helped me in gaining a more detailed understanding about the different situations that occurs along the sponsorship phases, and how the participants' views, needs, and ideas may change as a result of facing these situations and their impacts on both their personal and business experience.

TABLE 1: SUMMARY OF INTERVIEWS

Participants	Entrepreneurial Perspective						Institutional Perspective	
Question	SA Entrepreneur	MR Entrepreneur	MH Entrepreneur	YS Entrepreneur	AG Entrepreneur	UG Entrepreneur	AA Chairman of NGO	RM CEO of startup accelerator
Influence to start a business	The opportunity	Family business history and opportunity	The opportunity, and the belief in the power of technology in addressing and solving problems	The opportunity I realized regarding the misconceptions about sports and exercising	Interest in the information technology field, and the business opportunity	My interest in Egyptian heritage, and my previous experience in community development	Mostly the opportunity or the gap in the market sensed by the entrepreneurs	Mainly the opportunity in addition to the personal attributes of the entrepreneur
Why start through a startup accelerator	Support, finance, and network of the startup accelerator	Encouraged by the startup accelerator. Wanted a strong start	Money, training, and networking	Excited about the startup accelerator model, and services and support they provide	Gaining connections and network access to the information technology market	Looking to start through untraditional business model	Mainly support and positive energy expressed from all the surrounding supported entrepreneurs, credibility, and support	The support, training, networking, and mentoring in addition to the capital that minimizes the risk
Perceived Challenges	Quitting my full-time job	To leave the family business and start my own business	Lack of support from family and friends, and fear of market acceptance to the business idea	To quit my full-time job, and allocating the required capital	To quit my career and business as a dentist	The lack of knowledge and skills required to manage my own business	Quitting a full-time job or a secured source of income to take the risks associated with starting their own business	Market acceptance of the products / services
Did starting through startup accelerator helped in overcoming challenges	Yes in terms of company formation and legal issues related to company formation	Yes in terms of learning, support, and security	Yes, especially about the fear of market acceptance	Yes in terms of the challenges associated with company formation procedures, and the support	Yes in terms of gaining knowledge about the information technology field, and networking	Yes, through training, mentorship, and support I gained the required skills and knowledge about business management	In most of the cases is yes, the startup accelerator helps and enables entrepreneurs to overcome their perceived challenges, and also the new challenges that occurs during	Yes, especially in terms of the level of support, training, and access to network

							their business startup journey	
Advantages of a startup accelerator	Network, seminars, and mentorship that help entrepreneurs enrich their business knowledge	Enriches self-confidence, makes you feel stronger and backed-up, and learning	Positive energy in the facility, networking and access to clients, and learning	The training, mentorship programmes, support, and consistent follow-up.	Support, learning about business management perspectives, and networking	All the services related to the support, learning, and mentorship	The credibility, access to network, and the training and support that helps them in acquiring the knowledge to successfully manage their business	The access to network, credibility, training, mentorship, and business management knowledge
Disadvantages of a startup accelerator	Standardisation of the business formation process for all entrepreneurs	Startup accelerators should focus on the quality of entrepreneurs and ideas without regard to the number or quantity	The standardisation of business formation process, and the pressure and stress from the startup accelerator on entrepreneurs	The amount of time that entrepreneurs should spent in attending seminars and events related to Flat6labs promotion	The gap that occurs during leaving the startup accelerator facility in terms of finance, and accurate valuation of the business	The post incubation period support	The lack of financial and technical support upon the completion of the incubation period	The post incubation period, especially when there no funding or investment that take place
Recommending a startup accelerator	Yes but some entrepreneurs may be already in advanced stages so that they don't need a startup accelerator	Yes if you don't have the enough resources / capacities to start on your own	Yes if they are aware of the pressure and stress that they will pass through their journey	Yes, but it depends on the needs of the entrepreneurs themselves	Yes as it empowers entrepreneurs in terms of credibility to their business	Yes will always recommend to entrepreneurs	The recommendation for other potential entrepreneurs became a vital source for Flat6labs in attracting new potential entrepreneurs	Based on each experience of entrepreneur, but in general in Egypt the demand on startup accelerator is higher than the available
Real experience versus expectations	Received what I have expected	Got more than I expected, especially in terms of learning about the business perspective.	I got exactly what I was looking for	I wouldn't have started my business without them	I received more that I have expected	Very positive experience that exceeded my expectations	In most of our cases entrepreneurs receives more than they have expected from Flat6labs	Cannot be generalizsd as it depends on the unique experience of each entrepreneur

4.4: Data analysis from institutional and entrepreneurial perspective

In Table 2 we briefly introduce the research participants, the sponsored entrepreneurs, the CEO of the accelerator, and the chairman of the NGO, with a brief background about each, including age, nature of their business, and the business age since startup. Of the six entrepreneurs, only one had to shut down the business due to an inability to raise funds through any form of investment. Each interview question will be analysed from an entrepreneurial perspective based on the entrepreneurs' viewpoints, and from an institutional perspective based on the viewpoint of the CEO of the accelerator, and the chairman of the NGO.

4.4.1: Influence to start a business

a) The Institutional Perspectives

From the perspective of the CEO of the startup accelerator, and the chairman of the NGO, both opportunity and personal readiness affect the entrepreneurs' decision to start their own businesses. As described by the CEO of the startup accelerator, entrepreneurs are mostly influenced and motivated by the business opportunity that they sense in the market. According to the chairman of the NGO, while acknowledging the importance of the business opportunity sensed by potential entrepreneurs, what also matters is the personal characteristics of the entrepreneur in terms of skills, education, and ambition.

The chairman of the NGO, through his experience in working with over two hundred entrepreneurs, describes many entrepreneurs as good at sensing business opportunities but lacking the required skills, courage, risk-taking, and willingness to take advantage of these opportunities and to turn them into a business.

TABLE 2: PARTICIPANTS' PROFILE

Entrepreneurs				
Initials	Age	Prior Experience	Nature of Business	Business Age since startup
SA	27	Since graduation from German University in Cairo (GUC) – Business Administration Major, she worked as a teaching assistant at GUC prior to deciding to start her own business	An online open innovation intermediary with a primary focus on the Middle East and Africa. Businesses, nonprofits, and governments post challenges related to their operations, R&D, market research, and business processes on our platform.	Incorporated in 2012 and shut down in late 2014
MH	33	Design Engineer, Business Analyst and Project Manager.	Financial Management for SMEs in the MENA region through an online web application that is free and easy to use.	Started in 2014 – still operating
MR	34	Computer and mobile software engineer	A website that aims removing the communication barriers between all natives through mobile / web application products that fit the goal and are easy to use.	Since 2011 – still operating
AG	39	Dentist	A website that provides users with services such as house cleaning and maintenance, catering, and other related services	Since 2012
YS	32	Project coordinator and project management analyst	A website in the spirit of fitness and healthy living that provides an opportunity for everyone in the Middle East who wants to start exercising to do so at home.	Since 2014
UG	36	Used to work in different positions, but was a volunteer in many projects concerned with the Egyptian heritage with NGOs	An online Fair Trade Handmade Gifts & Crafts from Egyptian Artisans. Shop for unique handcrafts Egyptian treasures including pottery, cotton textiles, baskets, wood arts, jewellery and other. Yadaweya aims to add value to Egyptian handicraft production and the marketing of such products by being the first online fair trade store for local handicrafts in the country.	Since 2012
RM	30	Used to work in different managerial position	A regional startup accelerator program that fosters and invests in bright and passionate entrepreneurs with cutting-edge ideas in the MENA region (Cairo, Jeddah and soon Abu Dhabi).	Since 2011
AA	35	A serial entrepreneur	A NGO that aims at empowering and promoting opportunity entrepreneurs in Egypt	Since 2006

Furthermore, he felt, many potential entrepreneurs who may want to exploit an opportunity, lack understanding of how to commercialise the business idea, and how revenue and profits can be generated in order to convince potential investors to invest in the business startup.

b) The Entrepreneurial Perspective

Even though each opportunity entrepreneur may have different motives in starting a private business, two important factors remained common: their sense of the market opportunity, and their level of readiness and commitment to have their own business, even though all of them have admitted their fear of failure. Despite that, all sponsored entrepreneurs were classified as potential opportunity entrepreneurs because they were sponsored by a startup accelerator who believed in the value, creativity, innovation, and growth potential of their business ideas; in addition to the level of innovative and creative solutions, all the participants enjoyed a level of job security and promising careers prior to taking the step to start their own businesses. Furthermore, all the participants had the intention of starting their own businesses even before the existence or exploration of the market opportunity.

The personal interest of participants was expressed in their statements, whether being always alert and searching for a business opportunity in the market, or having an idea and exploring how this idea can be transformed into a private business. Some of the research participants had an interest in business when they were at school, and some of them were always exploring market opportunities while they were working. What the research participants shared in common in terms of what influenced them to start their own business was a strong belief that his/her business idea would address a gap in the market that no one else had spotted or explored.

Thus, prior to exploring opportunities, the participants had the desire to have their own businesses, in spite of the risks associated. The perspectives of the risk associated with private business are clearly described by two of the participants, who had a very pessimistic view of private business. The two participants had experienced the failure of private businesses in their families: one participant stated that her family had experienced very tough times after the bankruptcy of her father's business, and another participant had been responsible for making the decision to liquidate his family's business after the death of his father, due to tough challenges that couldn't be handled at that time. Due to the negative experience of both participants, upon their graduation, they felt safer in pursuing careers as full-time employees, but as their level of interest in having their own business was always stronger than their fear of failure. The opportunity exploration, along with the personal commitment and willingness of entrepreneurs is obvious in their statements:

"I have always believed in the role of technology in addressing and solving business problems" (MH)

"I always had the intention in mind since I was at school" (SA)

"I have always had the interest when I was young in trading and selling and making profit out of trade transactions" (MR)

"I always had the idea of starting my own business" (YS)

"Even though I had my own business as a dentist, I was always interested in the field of information technology" (AG)

"Primarily my study and interest in the field of environment, culture, and Egyptian heritage" (UG)

One of the very exciting and interesting stories regarding the influence to start a business was expressed by AG, who decided to shift a successful career as a dentist that has been in business for over six years. Even though AG had his own and successful career as a dentist with a minimal knowledge in information technology, AG always had the interest in starting a business in the information technology field, but he had

two main obstacles which are: his minimal knowledge in the information technology, and the lack of network connections in Cairo (the capital and major city in Egypt) as his clinic was in another smaller city.

Even though AG could have thought of moving his own business, the dental clinic, to a larger city or expand through opening branches to grow, but AG decided to take a different pathway to start his own business in a field that he enjoy. His story was somehow different than other entrepreneurs' stories, as shift he decided to make was a great career transformation that is associated with high level of risk, and facing a total lack of family and friends about his decision. But his own interest, even after spending many years of hard work in studying and experience as a dentist, his interest to have his own business in the information technology field was his primary motive to decide on this great and challenging decision.

Based on the entrepreneurs' experiences along with the perspectives of the CEO of the startup accelerator as well as the chairman of the NGO, opportunity sensed by entrepreneurs is an important factor that influences their decisions to start their own businesses. Opportunity without personal commitment is not enough, and commitment is not enough without the opportunity. Table 3 demonstrates the statements expressed by the entrepreneurs, and the interpretation.

TABLE 3: INFLUENCE TO START A BUSINESS

Entrepreneurial Perspective	Interpretation
“Through attempting to enrich and empower the Egyptian heritage, I have worked with many artisans where I was able to realise an opportunity to link their work directly to customers” (UG)	Opportunity Exploitation
“I believed that Egypt has a lot of opportunities, where as a developing country, I will find a lot of problems that can be solved using technology” (MH)	Opportunity Exploitation
“I always had the idea of starting my own business, but I never knew exactly when and how I will take a step towards starting my own business. Also, as I was always interested and compassionate about sports and exercising, I realized that there are some misconceptions about how people can exercise and play sports, where it is always associated with spending extra money or time” (YS)	Personal Interest & Opportunity Exploitation
“As I was interested in the field of software and web development, I have previously carried and accomplished some work in this area on a part-time basis, but I always had the idea in mind to start my own business in this field” (AG)	Personal Interest & Opportunity Exploitation
"I always had the intention in mind since I was at school, and especially during the last 2 years of high school", "I have always had the interest when I was young in trading and selling and making profit out of trade transactions...I strongly believed in the opportunity in the market, and especially in the Middle East and Arab region, and more importantly the logistics of implementing this idea as a business didn't require high startup investment or personnel that might be a barrier to any startup" (SA)	Personal Interest & Opportunity Exploitation
“I have always had the interest when I was young in trading and selling and making profit out of trade transactions. Furthermore, when I was 13 years old I started my first business with the evolution of the internet in Egypt as a part-time web developer, and offering web hosting services...I realized that there is a gap in gaining the experience of local citizens, where knowing the best places to visit and go to through local citizens is completely different than gaining it through other travelers and visitors of the country” (MR)	Personal Interest & Opportunity Exploitation
Institutional Perspective	
“Mostly it is about the opportunity sensed by the entrepreneur, whether they have a good or bad perspective about private business, it is always about the opportunity that the entrepreneur, and how his / her business idea can fulfil a certain gap or need in the market” (RM)	Opportunity Exploitation
“ I don't think that there is one simple factor that influences entrepreneurs to start their own businesses, but one of the important reasons that motivates is the opportunity sensed by the entrepreneur, even though there are many people that might see opportunities without taking a step towards starting the business” , “one thing in my opinion is related to the entrepreneur's personal attributes where some people have the ability to operate under uncertain market conditions and risk, and they want to challenge themselves” (AA)	Opportunity Exploitation Personal Characteristics / readiness

4.4.2: Starting through an accelerator

a) The Institutional Perspectives

The CEO of Flat6labs, who has experienced the startup of more than 160 entrepreneurs, believes the decision of entrepreneurs to start through an accelerator is mainly due their fear of failure, through being backed up by a strong partner. He also feels that most of the entrepreneurs that decide to start through an accelerator are more interested in the non-financial services than the seed capital provided. On the other hand, the Chairman of the NGO argues that most of the entrepreneurs who decide to start through an accelerator lack business experience, and have a very limited access to market networks, preferring to partner with the accelerator so that they can learn and gain access to networks.

The chairman of the NGO feels the startup accelerator provides sponsored entrepreneurs with access to their network, gives credibility to their business startups, provides them with the office space and equipment required to run the business, and seed capital in return for equity. From the institutional perspective, entrepreneurs deciding to start their own businesses through a startup accelerator are motivated by the backup and support services they receive; even though the startup capital provided is an important issue, the financial capital in the form of partnership provides them with a sense of security and confidence.

b) The Entrepreneurial Perspective

Concerning the decision to start through an accelerator from the entrepreneurial perspective, the responses of research participants varied according to each one's unique experience. Two of the participants had a business idea in mind that they believed would address an unexploited market opportunity, but they didn't know where and how to start. Therefore, both participated in a number of business idea

awards and startup events, where they had the opportunity to talk with the accelerator's team, which convinced them to start by joining the accelerator's programme.

In my discussion with the CEO of the startup accelerator about ways of attracting entrepreneurs, he stated that they always search for entrepreneurs through attending startup events, business ideas seminars in colleges and universities, and any other related events where entrepreneurs present their idea. Thus, these two participants, who had no prior experience in managing or starting a private business, were encouraged by the accelerator to join the programme and start their business. Being attracted by the accelerator is clearly defined in the statements of the two participants:

“I then presented and shared my business idea in one of the startup weekends in Alexandria by which I met the CEO of Flat6labs” (SA)

“...until I met the CEO of Flat6labs, and through discussing the idea with him, he encouraged me to start through their startup sponsorship programme and I started Asknative.com” (MR)

The remaining four participants shared in common limited experience in starting a business, and they were more precise about their decisions to start through a startup accelerator. Their priorities and reasons varied according to their unique needs. One of the participants stated that he was there as he was aware of the accelerator model prior to attending; he stated that he decided to start through an accelerator for three main reasons, which were: money, learning and training, and access to network connections. For another participant, who was making a complete career change by starting his own business, the main reasons for starting through an accelerator were the access to networks, and getting involved in the market. Being precise while deciding to start through an accelerator is obvious in the statements expressed by the participants:

“My top reasons for deciding to start through a startup accelerator were money, training, and networking connections” (MH)

“My primary reason for starting my business through a startup accelerator was my unawareness about the connections in the information technology field” (AG)

Two of the participants who had experienced a previous business failure decided to start through an accelerator to avoid repeating any previous mistakes, and to strengthen their knowledge and skills about running a private business. Only one participant had demonstrated a different case: she had to some extent experienced a business failure, and while she had unspecific business ideas in mind, she was interested and inspired by the model of the accelerator. As she expressed, she was searching for a business idea that she could rely on to join the accelerator’s programme. Deciding to start through an accelerator to avoid failure is clearly defined in the participants’ statements:

“I wouldn’t have made the decision to start my business without them, where first I was interested and excited about the business model of Flat6labs” (YS)

“I believed that starting the business by relying on an untraditional model will be helpful, where I have experienced previous business startup failure” (UG)

One of the participants who descended from an entrepreneurial family that are well known in Egypt, decided to start through an accelerator because he faced an unexpected business failure. As he decided to have his own business, leaving behind the opportunity to join the family business, he started to work as an employee to gain some of the business experience. The sudden pass away of his father pushed him to change his plans, and to be responsible for managing the family business, but unfortunately and even though he had a good background about the family business, he experienced business failure as he had to shut down the business in less than a year due to many challenges he has faced.

Thus, even though this participant had a previous and good knowledge about private business management due to being descendent from an entrepreneurial family, and have a good knowledge from his education and experience, he decided to start through an

accelerator due to primary the fear of failure that resulted from his business failure experience was the main factor that affected his decision to start through an accelerator. In the statements expressed by participants, whether the entrepreneurs, the startup accelerator, or the NGO there is a kind of synergy regarding the decision of entrepreneurs to use a startup accelerator, with a slight difference in intentions according to the previous business startup experience of entrepreneurs. Table 4 demonstrates the statements expressed by the entrepreneurs from the entrepreneurial perspective, and the interpretation.

TABLE 4: DECIDING TO START THROUGH AN ACCELERATOR

Entrepreneurial Perspective	Interpretation
“As Flat6labs, as a startup accelerator, was a partner in my research where entrepreneurs and startups are valuable resource to innovative ideas, and as I was thinking to start my idea as a Non-Government Organization (NGO), through discussing the idea with Ramez, my perspective was shifted to start the idea as a for-profit business” (SA)	Services provided
“I proposed to them the idea of my business, and even though they were interested in the idea, they didn’t take any serious steps towards implementation until I met the CEO of Flat6labs, and through discussing the idea with him, he encouraged me to start through their startup sponsorship programme” (MR)	Services provided
“My top reasons for deciding to start through a startup accelerator were money, training, and networking connections, where these are exactly what I wanted from the accelerator” (MH)	Seed capital Training Access to market network
“to be honest, I would not have made the decision to start my own business without them, where first I was interested and excited about the business model of Flat6labs, and the business idea came later to take advantage of the services, support, and encouragement that is provided by Flat6labs” (YS)	Services provided
“My primary reason for starting my business through a startup accelerator was my unawareness about the connections in the information technology field, and especially in Cairo city” (AG)	Access to market and network
“I believed that starting the business by relying on an untraditional model will be helpful, where I have experienced previous business startup failure, so I decided to start through a startup accelerator to get the support about the business related perspectives” (UG)	Learning and support
Institutional Perspective	
“Opportunity entrepreneurs aiming at starting their own business through a business accelerator are more concerned with the non-financial services provided by the startup accelerator in addition to the equity startup capital they receive” (RM)	Non-Financial Services – support, learning, access to network
“... I think that as most of them have limited network and connections, and low level of experience, they usually decide to start through a startup accelerator because of the legal advice and counseling regarding the company formation, even though it is mostly a standardized process” (AA)	Access to network, and gaining experience, less risk.

4.4.3: Perceived challenges to starting a business

a) The Institutional Perspective

From the institutional perspective, and through the viewpoint of the CEO of the startup accelerator, the main common challenges among potential entrepreneurs prior to starting their own business are the fear of failure, and security. As demonstrated by the CEO of the startup accelerator, and even though potential entrepreneurs believed strongly in their business ideas in terms of addressing a business problem, or an unexploited market opportunity, they always hesitated to quit a full-time job to start their own business.

From the viewpoint of the chairman of the NGO, and while acknowledging the fear of failure, and security associated with a full-time job, through working with many entrepreneurs he believes that the main challenge is the uncertainty associated with starting business. As stated by the Chairman of the NGO, potential entrepreneurs usually lack the ability to predict whether or not customers would value their products and services, and in particular whether their products and services are correctly priced, suit customers' needs, and are competitive in the market.

b) The Entrepreneurial Perspective

As there are no risk-free businesses, business startups by opportunity entrepreneurs are usually associated with higher levels of risk due to the uniqueness of their ideas, and high levels of innovation and creativity. Among all the participants, and other opportunity entrepreneurs, the biggest challenge was the expected failure or success of their business ideas; even though opportunity entrepreneurs are the strongest believers in their business ideas, they always have doubts about acceptance by customers and the market. Other challenges perceived by opportunity entrepreneurs may vary according to their personal circumstances, status, and backgrounds.

Four out of six participants shared the fear of leaving their full-time jobs to pursue their business startup journey, as described by the participants when they were asked about the perceived challenges prior to deciding to start their own businesses. Furthermore, all the participants stated that they lacked the support of family and friends in terms of encouraging them to start their own business, whether or not they had positive or negative experiences of private business. The fear of leaving a full-time job, and lack of family and friends' support, is stated by the participants in their statements:

“I had to decide to leave my full-time job to proceed with starting up my own business”

(SA)

“The lack of family and friends support to the concept” (MH)

“The major challenge was to quit my full-time job” (YS)

“To quit my career as a successful dentist and to shut down my clinic” (AG)

One of the participants, AA, perceived his attraction to the Egyptian heritage (the hand made products) as the second perceived challenge among the perceived challenges. AA believed that his emotions towards strengthening the Egyptian heritage could be better achieved through NGOs or as a not-for-profit seeking business.

Even though the accelerator believed strongly in the business idea, and helped AA in commercializing the idea into a for-profit business, AA doubted the success of the idea in terms of being a for-profit business. Therefore, AA decided to pursue the idea as a not-for-profit business in case he faced a failure as a for-profit business, but after the startup and the completion of the incubation period, AA realized that it wouldn't have succeeded if started in a different way.

For the participants who had experienced previous business failure, their main perceived challenge was facing potential failure again; they stated clearly that due to their previous business failure experience, they were demotivated by their family and friends. Therefore, and based on both the entrepreneurial and institutional perspectives, and whether or not entrepreneurs had experience previous business failures or not, the fear of failure remains one the common perceived challenges among opportunity entrepreneurs. Table 5 demonstrates the statements expressed by the entrepreneurs from the entrepreneurial perspective, and the interpretation.

TABLE 5: PERCEIVED CHALLENGES PRIOR STARTING A BUSINESS

Entrepreneurial Perspective	Interpretation
“I had to decide to leave my full-time job to proceed with starting up my own business” (SA)	Job Security
“the resistance of my family to leave the family business and start my own business in a different field, especially when the family business was struggling to sustain at that time after the passing away of my father” (MR)	Lack of Family Support
“I had mainly two challenges in mind which are my fear from the lack of family and friends support to the concept, and about the market and customer market acceptance about the business idea itself” (MH)	Lack of Support of family and friends Market acceptance
“The major challenge was to quit my full-time job to face the risks and uncertainty associated with my decision to start my own business” (YS)	Job Security
“My main perceived challenge was to quit my career as a successful dentist and to shut down my clinic to pursue a new business startup in the information technology field and start from scratch” (AG)	Career security
“The main challenge I had in mind prior to starting the business was the knowledge and skills required to successfully start and run the business, and especially as logistics are an important aspect of my business idea” (UG)	Lack of skills about business management
Institutional Perspective	
“In most of cases this is security, where almost all startups have secure jobs prior to deciding to start their own business. What they are looking for at that stage is encouragement and support, and this is one of Flat6labs tasks, which is to emotionally and physically support entrepreneurs” (RM)	Job Security
“the concern or challenge that I have always sensed from entrepreneurs is the extent to which their product or service will be accepted by the market or targeted customers, where they are always questioning whether the opportunity they have sensed or exploited is seen or viewed at the same level by customers as a problem that their product or service will solve or address successfully” (AA)	Uncertainty and risk associated with starting a business

4.4.4: Overcoming challenges through an accelerator

a) The Institutional Perspective

As described by the CEO of Flat6labs, the services provided to all sponsored entrepreneurs, whether general or customised, were all directed towards enabling them to overcome their perceived challenges to business startups. Through the equity capital provided, Flat6labs is a physical business partner in every business being sponsored. The Chairman of EBF had a different viewpoint about how the accelerator can assist entrepreneurs in overcoming their perceived challenges. He believed that the accelerator model(s) is only suitable for entrepreneurs with minimal business and management experience, and therefore their perceived challenges can be supported through the basic services provided by the accelerator.

The Chairman of the NGO stated that he was not a strong believer in the current models of accelerator. According to his point of view, the accelerator model is relatively new as it started globally in 2005 or 2006 in the United States, and only started to exist in Egypt in 2011, meaning there are more services to come and there are plenty of areas in the current models that needs to be enhanced and developed. The Chairman of the NGO also argues that he believes that business ideas with high growth potential will probably not be generated by entrepreneurs with minimal experience in business, and therefore the current accelerators model will not attract them, and will only attract fresh graduates who need to feel secure while taking a risk in starting their own business.

b) The Entrepreneurial Perspective

Prior to demonstrating how the participants were able to overcome their perceived challenges with the help of a startup accelerator, all the participants had stated that the real challenges they faced after starting their business were to a great extent

different from what they expected. According to the shift that occurred between the perceived and real challenges, the research participants all agreed that the support, experience, and technical support provided by the accelerator strengthened them in facing most of the challenges successfully. Enabling entrepreneurs to overcome their perceived challenges is clearly stated in their statements:

“Support provided by Flat6labs as the startup accelerator was to fulfil all the legal and regulatory requirements to setup the business” (SA)

“Starting through a startup accelerator would be helpful and beneficial in terms of the support, learning, and security” (MR)

“The startup accelerator gives your business a level of credibility” (MH)

“They helped me in overcoming the startup capital challenge” (YS)

“I was able to overcome the perceived challenges” (AG)

“Through these services and support provided, I was able to make the right start” (UG)

Most of the research participants also agreed that one of their main concerns was lack of knowledge about the company registration and formation procedures, as well as legal requirements, and what form of company should best suit their business ideas. All the participants confirmed and stated that, as all these issues were handled by the accelerator, it removed a major burden from them. Furthermore, all the participants agreed that they were able to make the right start in their businesses, as they were backed up through every step by the accelerator’s team in different areas. Table 6 presents the research participants’ statements, both from the entrepreneurial and institutional perspectives.

TABLE 6: OVERCOMING CHALLENGES THROUGH A STARTUP ACCELERATOR

Entrepreneurial Perspective	Interpretation
“To fulfil all the legal and regulatory requirements to setup the business, in addition to the startup capital provided that enabled us to start operation.” (SA)	Company formation Startup capital
“As I was aware of the business model ...I knew that starting through a startup accelerator would be helpful and beneficial in terms of the support, learning, and security” (MR)	Services and support
“After starting the business through the accelerator I realised that there are other challenges that started to appear, and even though I didn’t get the appropriate level of support from family and friends, my worries about the market acceptance were not a challenge. The real challenge when I started the business was the employment, where getting the right people to do the job was tough. I think that the challenges would have been harder if I started on my own, where the startup accelerator gives your business a level of credibility” (MH)	Services and support Business credibility
“As Flat6labs provided seed capital as part of their acceleration and incubation programme, they helped me in overcoming the startup capital challenge. Furthermore, taking care of all the ‘headache’ associated with a business startup such as company formation, tax and commercial registration, and all issues related to starting a business was very supportive” (MH)	Company formation Legal and regulatory framework
“Through Flat6labs, the startup accelerator, I was able to overcome the perceived challenges, where they helped me by placing me on the right business track. Furthermore, starting through Flat6labs gave me the credibility and confidence to pursue the business startup” (YS)	Confidence Business Credibility
“the technical support, services, and backup I have got from Flat6labs helped me in gaining the required knowledge and skills about the business related operations, and through these services and support provided, I was able to make the right start” (UG)	Services and Support Enriching business management skills
Institutional Perspective	
“In addition to the support provided by Flat6labs, the all over environment surrounding them from other groups of entrepreneurs creates a positive energy for all of them” (RM)	Services and support, and positive energy
“Regarding the young entrepreneurs that have no previous or minimal working experience, I think that the startup accelerator will add value to their businesses and personalities through the mentorship, network connections, and training programmes associated with their sponsorship programme which is in my opinion a basic level of support” (AA)	Services and Support

4.4.5: Advantages and disadvantages of the accelerator

a) The Institutional Perspective

From the perspective of the CEO of the startup accelerator, and according to his experience with many sponsored entrepreneurs, all the services provided by the accelerator can be considered as advantages, taking into consideration that it varies according to each entrepreneur's real experience. As the accelerator is considered a relatively new model, the CEO stated that they are learning from each incubation round, and modifications are made to avoid any drawbacks faced in previous rounds. The Chairman of the NGO also believes that all the services provided by the accelerator can be viewed as an advantage to entrepreneurs; when evaluating the options entrepreneurs have prior to startup, the accelerator model can be considered the best in terms of the services and support provided.

According to the CEO of the accelerator, the main disadvantage is the post-incubation period, where entrepreneurs who fail to attract investors or raise funds struggle a lot during their first year, and almost 50% fail after one year. He sees the post-incubation period as a disadvantage, in that many of the entrepreneurs may have potentially successful businesses, but the problem lies in the whole entrepreneurship ecosystem in Egypt as a developing country. Furthermore, the Chairman of the NGO believes that the accelerator model sometimes provides entrepreneurs with unrealistic hopes during the incubation period, leading to disappointment upon completion.

b) The Entrepreneurial Perspective

It should be remembered that participants' perspectives about the advantages and disadvantages of the startup accelerator model will reflect each participant's unique experience. There may be similarities and differences according to each

participant's experience, and all of the participants were very conservative about identifying the disadvantages, stating according to their experience the key improvement points for the startup accelerator model in general.

Regarding the advantages, most of the research participants viewed the access to the market networks of the accelerator a major advantage that they could not have reached if they had started on their own. According to their responses, the accelerators' access to networks gave them credibility with potential customers, and enabled them to strengthen their business partners' connections. Furthermore, the credibility provided by the accelerator helped the participants in recruiting qualified employees.

Most of the research participants stated that the learning, training, and mentorship provided by the accelerator was very helpful, beyond their expectations. They felt that what they learned during the incubation period was more than they could have learned in a year if they had started without the accelerator. Furthermore, the research participants agreed that the level of support, learning, and access to networks strengthened their skills, capabilities, and confidence level.

Being surrounded by other entrepreneurs was one of the major advantages they perceived through the shared office space, which provided them with positive energy and competitiveness. Being surrounded by other entrepreneurs, albeit operating in different fields, created a teamwork spirit that strengthened and empowered them. The advantages perceived by the entrepreneurs are clearly defined in their statements:

“There are many advantages, but most importantly is the network of Flat6labs where as a startup you can reach anyone in anywhere you want” (SA)

“...operating your business through a startup accelerator makes you feel invincible, and gives you the required support to strengthen your self-confidence” (MR)

“The main advantage in starting your own business through a startup accelerator is the positive energy you get from all the business startups around you in the startup accelerator facility” (MH)

“...the amount of training, mentorship, support, and consistent follow-up” (YS)

“...every support and service provided by Flat6labs can be considered as an advantage” (AG)

“...all the support and service provided are considered as advantages” (UG)

Regarding the disadvantages, all the research participants argued that the post-incubation period is the main disadvantage, where there is no specific plan upon the completion of the incubation period. Even entrepreneurs who were successful in raising funding upon the completion of the incubation period stated that it was a major challenge, as engaging with investors is not guaranteed by the accelerator. Furthermore, some participants viewed the stress and pressure exerted by the accelerator as a disadvantage, in that entrepreneurs being sponsored by the accelerator were required to attend events that were not related to their core business, such as marketing and awareness campaigns organised by the accelerator. The post-incubation period challenge and the stress and pressure as perceived disadvantages are clearly described through the participants' statements:

“The gap in financing that occurs right after the incubation period” (AG)

“...continuous support and consultancy from the startup accelerator to the sponsored business after the incubation period” (UG)

“The pressure on the business startup exerted by the accelerator during the incubation period that puts a lot of stress” (MH)

“The amount of time that businesses has to spent in their marketing campaigns as sponsored businesses, where I do completely understand that participating in such events is important to both the sponsored business and the startup accelerator, but it requires a lot of time dedication that puts a pressure on the business startup” (YS)

Even though most of the participants have agreed that the accelerator experience in setting up companies was important, afterwards some viewed the standardised model as a potential disadvantage, as the standard process is not always the best for

some businesses according to their nature and type of products and services provided. Furthermore, some participants felt that as the accelerator model is set up to accommodate a certain number of entrepreneurs in each round, the accelerator pays more attention to the quantity of entrepreneurs rather than the quality. These disadvantages, as perceived by the participants, are clearly obvious in their statements:

“the disadvantages is the standardization in forming the companies sponsored by Flat6labs, where it would have been better if the company formation was to be decided according to the nature and type of each company” (SA)

“I believe that a startup accelerator should focus more on the quality of entrepreneurs rather than achieving the number required to join each business cycle” (MR)

The surprising stories to me was the stories of SA and YS who did not succeed in acquiring funds after the incubation period, by which they struggled for a year and had to shut down the business. Instead of blaming the accelerator about their business failures, as some may do according to the viewpoint of the chairman of the NGO, they were able to state the advantages and disadvantages despite the failure they experienced.

Furthermore, and as stated by some of the participants when they mentioned the fear of failure as one of the barriers to business startups and a perceived challenge, experiencing failure and shifting back their careers to employees can be viewed as an advantage of being sponsored by an accelerator. According to the participants' statements where they all agreed that the legislations and laws are very discouraging in terms of “if someone fail, he/she might go to jail”, being sponsored and guided by an accelerator prevents any negative legal consequences if the business fail, by which it might be encouraging to potential entrepreneurs to feel secure even if their business fails.

Upon the completion of the incubation period, and as entrepreneurs become more independent, the level of support and involvement of the accelerator starts to decrease. Some of the participants perceived the decreasing level of involvement and post-incubation support as a disadvantage, and felt the accelerator's support and involvement as a partner in the business should not be changed after the incubation period. Table 7 provides some of the statements and quotes expressed by the research participants, from both the entrepreneurial and institutional perspectives.

TABLE 7: ADVANTAGES AND DISADVANTAGES OF THE ACCELERATOR

Entrepreneurial Perspective	
Advantages	
“The network of Flat6labs where as a startup you can reach anyone in anywhere you want. Furthermore, Flat6labs allows the sponsored startups to attend several seminars and conferences that allows them to network with the business community” (SA)	Network access Learning
“...operating your business through a startup accelerator makes you feel invincible, and gives you the required support to strengthen your self-confidence. Furthermore, being sponsored by a startup accelerator accelerates your learning, where you can learn in three months what you could have learned in a year if depending on your own” (MR)	Confidence Learning
“The main advantage in starting your own business through a startup accelerator is the positive energy you get from all the business startups around you in the startup accelerator facility. Moreover, starting through a startup accelerator is very helpful to the business in terms of accessibility to the network and connections of the startup accelerator.” (MH)	Energy around the place Network access
“The main advantages to start your business through a startup accelerator from my experience is the amount of training, mentorship, support, and consistent follow-up. Furthermore, the startup accelerator helps the business in branding, where they have a strong credibility in the market” (AG)	Learning Enriching skills Business credibility
“I believe that every support and service provided by Flat6labs can be considered as an advantage to any business startup. Through being a sponsored business, you always feel that you are backed up and protected, and moreover you have a lot of access through their network to the market” (YS)	Confidence
“I believe that all the support and service provided are considered as advantages, where without the startup accelerator it would have taken me more time and effort to learn and gain knowledge and experience in such a short time with high level of confidence” (UG)	Learning Enriching skills
Disadvantages	
“the standardisation in forming the companies sponsored by Flat6labs, where it would have been better if the company formation was to be decided according to the nature and type of each company” (SA)	Standardisation of the process
“The real challenge I faced is when the incubation period ended and I moves outside Flat6labs facility, where it could be seen like moving swimming in the ocean upon the completion of a swimming course in a swimming pool” (MR)	Post incubation support

“Regarding the disadvantages I can only think of the pressure on the business startup exerted by the accelerator during the incubation period that puts a lot of stress” (MH)	Pressure and stress
“My only perceived disadvantage is the amount of time that businesses have to spent in their marketing campaigns as sponsored businesses” (YS)	Involved in marketing campaigns of the startup accelerator
“I can only think of one main issue, which is the gap in financing that occurs right after the incubation period, where I think that I should have been better if there was another kind of support to occur after the incubation to the business after moving outside the startup accelerator facility to provide more sustainability to the business as at this time there is no accurate methodology for the valuation of the business growth and revenue potential to gain the interest of investors” (AG)	Post incubation period Post incubation gap
“...there should be a continuous support and consultancy from the startup accelerator to the sponsored business after the incubation period, where even though that Flat6labs is always providing support, but there is no standard model for the continuous support upon leaving their facility” (UG)	Post incubation support
Institutional Perspective	
Advantages	
“I believe the perceived advantages are the support, training, and mentorship programmes that they receive during their incubation period, where most of them are technically competent prior to joining Flat6labs, but they lack the real business experience, and that’s what the different training, and mentorship programmes provide them with” (RM)	Support, experience, training, and learning
“The advantages to any entrepreneur in addition to the capital, office space, and equipment, is the level of engagement and involvement as a profit-seeking enterprise, and the training and mentorship programmes provided to entrepreneurs” (AA)	Capital, partnership, learning, training, and support
Disadvantages	
“I believe that the most challenging period to any entrepreneur is the post incubation period, where there is a huge gap in financing and mentoring during this period, as the entrepreneurs find themselves on their own” (RM)	Post Incubation challenges
“In regards to the disadvantages can be expressed in giving people a dream that is not 100% realistic, where the startup accelerator needs a powerful ecosystem to operate within that is not available in Egypt as a developing country” (AA)	Over-expectations to entrepreneurs

4.4.6: Recommending startup accelerator from sponsored entrepreneurs

a) The Institutional Perspective

Taking into consideration that the concept of the startup accelerator is still new worldwide, as well as in Egypt, the Chairman of the NGO believes that recommendation depends on each entrepreneur's unique experience. He feels that starting through an accelerator is associated with lower levels of risk than starting a business on your own, due to the level of support and advice from more knowledgeable and experienced entrepreneurs. Furthermore, due to the low numbers of accelerators in Egypt, the Chairman of the NGO believes that there are more opportunity entrepreneurs than the current accelerators can accommodate.

The Chairman of the NGO and the CEO of the startup accelerator agree that upon the completion of the first two rounds most of the potential entrepreneurs who applied for the programme are referred from sponsored entrepreneurs. According to the CEO of the startup accelerator, the number of referred entrepreneurs reflects a high satisfaction rate of sponsored entrepreneurs.

Furthermore, the CEO of the startup accelerator acknowledges that the number of accelerators is still few, and therefore competitiveness between them in attracting potential entrepreneurs is low. As the number of accelerators is expected to increase, the competition among them will also increase, as they attempt to develop more competitive programmes to attract entrepreneurs.

b) The Entrepreneurial Perspective

Concerning the recommendation from sponsored entrepreneurs to new and potential entrepreneurs, the responses of the participants were primarily divided into two main opinions. Three participants stated that they would definitely recommend a startup accelerator to all potential entrepreneurs, as they strongly

believed in the benefits and value of the services provided. The other three participants believed in the importance of starting through a startup accelerator only for potential entrepreneurs who either lack the resources or business management perspective. Thus, their recommendations depend on the condition and status of potential entrepreneurs, as clearly reflected in their statements:

“... not all business startups may need the startup accelerator services” (SA)

“...if a group of entrepreneurs have the capability to bring all the resources needed together for their business, a startup accelerator wouldn’t be beneficial to them” (MR)

As mentioned earlier, from the institutional perspective, some potential entrepreneurs may perceive that an accelerator lowers the risk associated with starting a business by providing some sort of security. Table 8 demonstrates the statements expressed by the entrepreneurs from the entrepreneurial perspective, and the interpretation.

4.4.7: Real experience versus expectations

a) The institutional perspective

According to the CEO of the startup accelerator, and through most of the feedback, most of the entrepreneurs’ experiences exceeded their expectations and they were satisfied with the services and support provided. The Chairman of the NGO felt that entrepreneurs sponsored by a startup accelerator usually felt that they received more than they expected, but their positive experiences are not due only to the quality of services and support provided by the startup accelerator. As stated by the Chairman of the EBF, as the startup accelerator model is relatively new and demand by entrepreneurs is high; there is no level of competition among different startup accelerators, therefore, entrepreneurs’ expectations about the services and support will not be high.

TABLE 8: RECOMMENDING AN ACCELERATOR

Entrepreneurial Perspective	
“I always recommend the startup accelerator to any entrepreneur or business startup, but sometimes I believe that not all business startups may need the startup accelerator services if they have already the products or service developed, and have the required experience and knowledge to start without the support of a startup accelerator” (SA)	Recommend based on needs and status
“I would definitely recommend the startup accelerator model to people who have the intention to start their own businesses due to the learning and experience they will gain in such a short time, but if a group of entrepreneurs have the capability to bring all the resources needed together for their business, a startup accelerator wouldn’t be beneficial to them” (MR)	Recommend based on needs and status
“I would definitely recommend the startup accelerator to potential entrepreneurs, especially in terms of the training, experience, and knowledge that they will gain in a short amount of time” (MH)	Always recommend
“I think that it depends primarily on the needs of entrepreneurs, where in my case my needs required me to start my own business through a startup accelerator” (AG)	Recommend based on needs and status
“starting through a startup accelerator allows entrepreneurs and business startups is very helpful, where in addition to the training, seminars, and learning associated with the incubation process, gaining network connections and market accessibility through the startup accelerator gives entrepreneurs credibility and a strong start” (YS)	Always recommend
“I will always recommends the startup accelerator to potential entrepreneurs, where through the accelerator, entrepreneurs will be enabled to learn a lot and gain experience in a very short time in terms of the quality and quantity of knowledge” (UG)	Always recommend
Institutional Perspective	
“It can be said that after the successful completion of two business cycles, most of the applicants come through recommendations from entrepreneurs who were previously sponsored by Flat6labs. Thus, these recommendations reflect a high level of satisfaction from entrepreneurs” (RM)	Mostly recommends
“I believe that this depends primarily on the perspective and experience of the sponsored entrepreneurs with the startup accelerator, where sometimes entrepreneurs that might experience failure may blame the accelerator for the failure experienced” (AA)	Depends on each entrepreneur’s experience

b) The Entrepreneurial Perspective

Even though it cannot be assumed that the experience of all sponsored entrepreneurs versus the expectations is always positive, but all the participants' experiences in this research were positive. Table 9 demonstrates the statements expressed by the entrepreneurs from the entrepreneurial perspective, and the interpretation. The positive expectations are clearly defined in their statements:

"... I believe that my journey was good in terms of learning about real business perspective, about business startup, knowledge, and experience" (SA)

"I can say that I got what I have expected from them, especially through gaining more insights and knowledge about the business related issues" (UG)

"As I was very precise in what I wanted from a startup accelerator, which is money, training, and network connections, I believe that I have got exactly what I wanted from the startup accelerator" (MH)

"I would say that my experience with Flat6labs is positive and more than I expected" (MR)

"My overall experience with Flat6labs was very positive, where I wouldn't have taken the step to start my own business without them" (YS)

"My overall experience with Flat6labs was very positive" (AG)

4.5: Summary

Based on the participants' responses analysis, taking into consideration the perspectives of both the CEO of the startup accelerator and the chairman of the NGO, a summary of interviewees' responses is shown in Table 1. Table 1 will demonstrate the analysis of the participants' responses.

With regard to motivation for starting a private business, responses of participants, along with the perspectives and experiences of the CEO of the startup accelerator and the chairman of the NGO, were divided into two main motives: the exploration of an unexploited opportunity, and the personal interest of the entrepreneurs. It might appear obvious that deciding to start a business is influenced by both motives, but as

demonstrated by the Chairman of the NGO, not all individuals who sense an opportunity can start a business, and not all individuals who have the will to start a business can sense the opportunity that motivates them. Most of the participants were influenced due to one of the main motives, whether or not they have a good or bad experience with private business, and whether or not they were motivated by the family and friends around them.

Regarding the decision of entrepreneurs to start their businesses through the sponsorship of a startup accelerator, the responses varied according to each participant's preferences, status, and perspectives. Some participants viewed starting through a startup accelerator as more secure than starting on their own, and also offering their businesses more credibility. Other participants needed an easier and guaranteed access to the market, via startup accelerators' strong networks of partners, investors, and potential customers. Entrepreneurs viewed this as a privilege that would enable them to reach more people in less time compared to the efforts and time that this might have taken had they started on their own.

The common perceived challenges of entrepreneurs prior to starting their own businesses were either fear of failure, or fear of leaving a secured job. While all the participants decided to leave their secure jobs to start their own businesses, the loss of job security was not a perceived challenge for all of them; whereas some shared the fear of leaving a secured job or career, other participants had a fear of failure. This was mainly due to their doubts as to whether or not the market or potential customers would accept their products and/or services.

All participants agreed that the services and support provided by the startup accelerator helped them to overcome their perceived challenges.

TABLE 9: EXPERIENCE VERSUS EXPECTATIONS

Entrepreneurial Perspective	
“I believe that my journey was good in terms of learning about real business perspective about business startup, knowledge, and experience” (SA)	Experience exceeded expectations
“I can say that I got what I have expected from them, and especially through gaining more insights and knowledge about the business related issues” (MR)	Experience as expected
“As I was very precise in what I wanted from a startup accelerator, which is money, training, and network connections, I believe that I have got exactly what I wanted from the startup accelerator” (MH)	Experience as expected
“I would not have started the business without them, where I was inspired by the model. I would say that my experience with Flat6labs is positive and more than I expected, and especially in terms of the learning, access to market, networking, enrichment of my business” (AG)	Experience exceeded expectations
“My overall experience with Flat6labs was very positive, where I wouldn’t have taken the step to start my own business without them” (YS)	Experience exceeded expectations
“My business startup experience with Flat6labs was very positive, the services and support services I received exceeded my expectations, and from my perspective it couldn’t have been better for me and my business” (UG)	Experience exceeded expectations
Institutional Perspective	
“Through our experience with sponsored entrepreneurs, and as we feel the fear of failure prior to starting with Flat6labs, most of the entrepreneurs sponsored receives more than they have expected especially in terms of the training, mentorship and learning” (RM)	Experience exceeded expectations
“Again I think that this depends on the unique experience of each entrepreneur, as this cannot be generalised. But through our experience with sponsored entrepreneurs, they usually get disappointed after the completion of the incubation period, because during the incubation period entrepreneurs get used to being dependent on the startup accelerator” (AA)	Good during incubation, but disappointing upon incubation period

Furthermore, all the participants agreed that other challenges appeared as they started their businesses, and that being backed up and sponsored by a startup accelerator helped them in overcoming these challenges as well. An important issue to be noted from the participants' responses is that all of them agreed that the challenges that appeared after starting their own businesses were not previously considered, which reflects their minimal experience of business operation in real practice.

Most participants agreed on three main advantages of the startup accelerator, which were: access to the market, the workplace environment, and the learning, mentorship, and training provided by the startup accelerator during the incubation period. The startup accelerator is connected to many companies, business owners, decision makers, and other business networks, and some participants viewed the access to these networks as a fundamental advantage provided by the accelerator. Other participants felt that being surrounded by other groups of startups enabled them to enrich their knowledge and business skills through networking and ongoing discussion, while also keeping their morale high through the challenging environment and the energy shared among them. Other participants viewed the learning, mentorship, and training as some of the major advantages they received from the startup accelerator, in that they acquired a lot of important information and skills in a very short time compared to what they could have learned on their own.

As mentioned earlier, participants were to some extent conservative about identifying the disadvantages associated with their personal experiences, focusing instead on the advantages related to the startup accelerator model in general. Some participants viewed the standardised company formation process a disadvantage, suggesting that company formation should be decided and processed according to the nature and needs of each company. Furthermore, some participants believed that the incubation period is

short, and that the challenges they faced upon leaving the premises of the startup accelerator were very tough. This disadvantage seems to have been also acknowledged by the CEO of the startup accelerator, as the incubation period has increased twice since they started sponsoring businesses. Moreover, and according to the participants' responses, there is no standardised or formal method for supporting sponsored businesses after the post-incubation period, when businesses find themselves facing many new challenges alone.

With regard to whether sponsored entrepreneurs would recommend a startup accelerator, some participants argue that they might recommend the startup accelerator model only based on the needs of potential entrepreneurs. Other participants argue that the model of the startup accelerator is beneficial to any startup, whether or not potential entrepreneurs have the resources needed to start a business, and that the startup accelerator model provides many services and support that entrepreneurs would not be able to acquire on their own. Finally, with regard to the entrepreneurs' experience versus perceived expectations, all participants agreed that they either received what they were looking for, or what they received exceeded their expectations.

As the CEO of the startup accelerator had been involved in the sponsorship of over 160 entrepreneurs, and as the Chairman of the NGO has been also involved with working with many opportunity entrepreneurs, their perspective on the questions asked to the research participants was considered. Their views, to a large extent, aligned with the responses of the research participants. It should also be taken into consideration that the startup accelerator model is relatively new worldwide, and that in Egypt, as a developing country, the challenges might be tougher for startup accelerators than those operating in developed countries.

Chapter 5

Discussion

5.1: Introduction

The literature review on the definitions of entrepreneurship demonstrates that there is no standard definition for the entrepreneur and entrepreneurship, as each scholar tackles the definitions according to different perspectives (Cantillon 1755, Say 1803, Schumpeter 1934, McClelland 1961, Drucker 1985, Kilby 1971, Shapero 1975, Stevenson 1983, Gartner 1985, Pinchot 1985, Knight 1921, Kirzner 1973). The key element of entrepreneurship for Schumpeter (1934), Pinchot (1985), and Drucker (1985) is the introduction of innovative and creative products / services, where for Say (1803) entrepreneurship is about creating value in the market through introducing new products and services.

For Cantillon (1755) and Knight (1921), entrepreneurship is associated with taking risk and operating under uncertainty when starting a new company or venture; for Gartner (1985) entrepreneurship is the process that leads to the creation of new companies; and for Shapero (1975) entrepreneurship is about making changes to the market by introducing new products and services. From the opportunity recognition and exploration perspective, Kirzner (1973), Timmons (1978), Shane (2003), Dubin (1978), Misra and Kumar (2000), and to Ferreira et al. (2012) viewed entrepreneurship as being associated with entrepreneurial intentions developed and motivated by opportunity recognition and exploration by the entrepreneur.

Even though there is a generally acknowledged definition of entrepreneurship in terms of being associated with the starting of new business, as illustrated by Aldrich and Yang (2013), the various definitions also acknowledge the process of opportunity recognition / exploration, and the personal characteristics of the entrepreneurs. Furthermore, many

studies have associated the entrepreneurial process with the overall dynamics of the economic system GEM (2014), OECD (2009), and Baumol (1968) especially when comparing entrepreneurial activity levels across countries with different economic levels and circumstances. The various definitions of entrepreneurship, as argued by Isenberg (2010), failed to produce a generally accepted model, therefore successful experiences can only be viewed as best practices and success stories.

The importance of entrepreneurship to economic growth and development has been examined in the literature. According to the GEM (2014), and Wennekers et al. (2005), entrepreneurial levels are high in both factor- and innovation-driven economies, while they decline within the efficiency-driven as the economic levels grow. Entrepreneurial levels not only change according to economic levels, but also the ratio of necessity to opportunity entrepreneurs (GEM, 2004; Wennekers et al., 2005). However in factor-driven economies, necessity entrepreneurs are higher than in innovation-driven economies, while opportunity-based entrepreneurs are higher in innovation-driven than in factor-driven economies.

While considering that entrepreneurship's importance to economic development and growth depends on a country's economic circumstances, new business startups have been viewed as a significant tool in creating jobs in the market, as illustrated by Jones, Macpherson, and Jayawarna (2014), and GEM (2014). Business incubators have been recognised as a successful way to promote and encourage business startups, as reported by Moraru and Rusei (2012) at the 1998 Helsinki workshop. According to Aaboen 2009, and Lewis et al. (2011), businesses which started through incubators enjoyed a higher survival rate. A new shift in the incubators' model started to evolve in 2010, with a slightly different structure and objective. As illustrated by Christiansen (2009), Gilani (2011) and Miller and Bound (2011), they are privately owned for-profit

enterprises aiming at providing seed capital, work space, mentoring, consultation, and business services to high-growth potential entrepreneurs.

Gaining an understanding of the views of entrepreneurs on how market-based approaches can be a powerful tool in promoting entrepreneurship, whether in developed or developing countries, requiring first the acknowledgement of the barriers that face entrepreneurs, and how market-based approaches could assist entrepreneurs to overcome these barriers successfully. Barriers to entrepreneurship vary across the literature; as illustrated by Kouriloff (2000), the review of the literature identified over one hundred and fifty barriers in previous studies. The lack of support by family, school, and society; the lack of access to finance and information; not being included or recognised in business networks; the biased attitudes of funders; the different social perspectives on profit-seeking and competition; and a lack of self-confidence are barriers to entrepreneurship that were identified and described by Gould and Parzen (1990). Furthermore, Hatala (2005) identified personal problems and lack of skills; lack of confidence; gaining access to finance; the logistics of business startup, and the time constraints as the main barriers to entrepreneurship.

In research on the barriers to entrepreneurship, Choo and Wong (2006) argue that they can be grouped under three main categories, psychological, institutional, and social barriers. Psychological barriers involves the fear of failure, and the aversion to taking business risk and commitment to hard work; institutional barriers involve levels of corruption, the poor involvement of government bodies, the lack of access to market information and finance, the lack of entrepreneurial education and training, and poor physical infrastructure; finally social barriers include the lack of social business networks, and the poor social acknowledgment of entrepreneurs and small businesses in the community. In assessing the barriers to entrepreneurship across the European

Union (EU), the OECD (2009) identified three main groups of barriers: financial barriers, informational and contact barriers, and managerial capacity barriers. In identifying these barriers, the OECD (2009) conducted a survey on SMEs and economic members of the EU by using the top ten ranking method, and the results showed that ranking and identification of barriers differed according to the different perspectives of the entrepreneurs and the representative of the EU member economies. Moreover, through conducting similar research on barriers to entrepreneurship in EU countries, the European Entrepreneurship Cooperation (EEC) (2004) identified three main categories: regulatory barriers, cultural and social barriers, and financial and economic barriers.

Among all the barriers identified, the GEM (2014), and Cacciotti and Hayton (2015) identified the fear of failure as one of the most important, and the factor that inhibits entrepreneurs from starting their own business. This fear of failure is higher in low- and middle-income countries than in higher-income countries due to the presence of more social security networks in developed than in developing countries. In addition to the GEM (2014) findings, Sandhu et al. (2011) identified the lack of resources and aversion to risk, and the lack of social networking as the highest-ranking barriers to entrepreneurship, and even though these barriers are more prevalent in developing than in developed countries, they are highly ranked in all economies. In almost all the barriers identified in previous research, governments have played a part, especially in terms of the regulatory and legal frameworks, and being one of the bodies that enable access to finance to business startups. Many governments, in attempting to overcome some of these barriers, have established business incubators in order to provide potential entrepreneurs with office space, support, and access to finance.

While acknowledging the existence of different levels of barriers to opportunity and necessity entrepreneurs, and the different perspectives of entrepreneurship development according to different stages and levels of economic development, the following discussion will be composed of four main sections based on the research results compared to recent research findings from the literature. The first section will discuss the different motives of entrepreneurs to start their own business, and how these motives might vary depending on the economic stage, and the type of entrepreneur. The second section will discuss the evolvement of the business accelerator model across countries, taking into consideration its role in entrepreneurship development according to different economic development stages. Furthermore, this section will also highlight how the business accelerator model might be viewed as an engine to entrepreneurship development.

The third section will discuss how the accelerator model enables entrepreneurs to overcome challenges, risks, and uncertainty associated with starting a business, whether perceived challenges or challenges that might evolve. Finally, the fourth section will discuss the advantages and disadvantages of the accelerator programme. The differences and similarities from the institutional and entrepreneurial perspectives of the research participants have been summarised in Table 1, where in each section the research findings according to the entrepreneurial and institutional perspectives will be compared to the existing literature of the different accelerator models.

5.2: Motivation to start a business

Most of the research examining how and why entrepreneurs are motivated to start their own business explored the motives of both necessity and opportunity entrepreneurs. The entrepreneurial motives or motivational factors were assessed based on the different economic development levels where they existed (GEM 2014, Swierczek and

Ha 2003, Benzing, Chu and Szabo 2005). For instance, the GEM (2014) found that in factor- and efficiency-driven economies (developing countries) entrepreneurial activity is mostly motivated by necessity, with a majority of entrepreneurs feeling they have no other option. On the other hand, and according to the GEM (2014) findings, opportunity-driven entrepreneurs represents a higher percentage in innovation-driven economies (most developed economies) than necessity entrepreneurs, showing a clear link between the type of entrepreneurs and the economic development level.

As Egypt is considered a developing country, attempting to explore the motives of opportunity entrepreneurs, especially those who decided to start through an accelerator, is very important in assessing the impact of the accelerator model on strengthening and empowering opportunity entrepreneurs. From the institutional perspectives, as described by the CEO of the accelerator and the Chairman of the NGO, most opportunity entrepreneurs are motivated by unexploited market opportunities. But sensing the market opportunity is not enough alone; according to the chairman of the NGO, the entrepreneurs' personal characteristics are also important. In addition, both the chairman of the NGO and the CEO of the accelerator argue that the education level and skills of opportunity entrepreneurs affect positively their ability to explore market opportunities. Thus, from the institutional perspective, both the market opportunity and the personal characteristics of the entrepreneurs are the main factors in motivating them to start their own business.

Even though participants' selection did not take into consideration the education level and skills of the entrepreneurs sponsored by the accelerator, it was noted during the interviews that all of them were highly educated and graduated from distinguished colleges and universities whether in Egypt or abroad. Educational level was not assessed in the research in terms of its impact on the ability of entrepreneurs in

identifying opportunities. However, prior to starting their own business through the accelerator, all participants had full-time senior management roles in reputable multinational companies. The GEM conceptual model is a cornerstone for studying entrepreneurship indicators across different countries and some revisions were adopted in 2014. Three main components were added to the revised model as the contributors to entrepreneurial energy (entrepreneurship activities) in any economy which are: personal attributes, social values, and entrepreneurship indicators.

According to the revised GEM (2014) conceptual model, social values towards entrepreneurship assesses how people consider starting a new business as a desirable career. Furthermore, the personal or individual attributes reflect the entrepreneurs' perceptions about market opportunities which assess the individual willingness and capability to be an entrepreneur. Finally, the entrepreneurship indicator reflects how entrepreneurial activities are affected by the gender and demographic variables.

Opportunity, willingness, and ability were among many factors that motivate opportunity entrepreneurs to start their own business (Bygrave 1989, Robinson, Stimpson, Huefner, and Hunt 1991, and Fischer, Reuber, and Dyke 1993, and Cunningham and Lischeron 1991). The existence of the business accelerator as a factor has positively affected the transformation of participants' ideas into business, and most of them stated that they couldn't have started without it. Thus, the entrepreneurial and institutional perspective of participants' responses is similar to the findings of previous studies, except for the additional encouragement of the accelerator that positively affected transforming their ideas into a business.

Entrepreneurial motives to start a business have been widely discussed and studied in the literature. In studying the motives of entrepreneurs in North America, Robichaud, McGraw and Roger (2001) categorised motives into four main groups: intrinsic

rewards, extrinsic rewards, independence and autonomy, and family security. In another study exploring the motives of business startups in Serbia as a developing country, Stefanovic, Rankovic and Prokic (2011) concluded that entrepreneurial motives fall into four major categories: greater business achievement, independence, intrinsic factors, and job security. In Turkey, as concluded by Ozsoy, Oksoy, and Koran (2001), Turkish entrepreneurs are mostly motivated to start their own business to provide security for themselves and their families, and to increase their income level. In Vietnam, according to Swierczek and Ha (2003), entrepreneurs are mostly motivated by achievement and the challenge of starting their own business rather than security and necessity. In Romania, as concluded by Benzing, Chu, and Szabo (2005), entrepreneurs are motivated by the higher income and job security, rather than self-satisfaction and personal needs.

Carter et al. (2003) argued that independence and being free were the highest motivational factors for entrepreneurs to start their business, while for Nelson et al. (1982), being recognised and appreciated by the community are ranked as top factors. For Fischer, Reuber, and Dyke (1993) goal achievement and self-recognition were viewed as the most important motivational factors, while for Birley and Westhead (1994) the desire to make money and financial incentives were seen as the most dominant. Thus it can be seen that motives to start a business differ from one place to another, and from one entrepreneur to another based to different variables and settings. In addition to the different motives and settings that affect entrepreneurs, personal characteristics have been widely acknowledged as playing an important role in enabling entrepreneurs to start their own businesses. Bygrave (1989) argues that there are four main characteristics of the entrepreneur that influence him/her to start a business: the need for achievement, internal locus of control, taking risks, and the tolerance of

ambiguity. Building on the model developed by Bygrave (1989), Robinson, Stimpson, Huefner, and Hunt (1991) added two other characteristics; self-confidence, and innovativeness. According to Shaver and Scott (1991), two main characteristics were most commonly agreed upon in the literature: an internal locus of control, and the need for achievement. Based on the model presented by Bygrave (1989), and further developed by Robinson, Stimpson, Huefner, and Hunt (1991), Yusof (2007) presented a conceptual framework based on the psychological characteristics school of thought (Cunningham and Lischeron, 1991). He states that the entrepreneurial intention is primarily affected by six main characteristics: the need for achievement, internal locus of control, taking risks, tolerance of ambiguity, innovativeness, and self-confidence. For Chell (2013) the skills, knowledge, and entrepreneurial abilities are various but for entrepreneurial personal traits they are capable to interact with situations. Chell (2013) acknowledges the ability of entrepreneurs to discover and exploit opportunities, which is also an important skills identified by Hayton (2015). Mitchelmore and Rowley (2013) identified six main entrepreneurial skills and competences, which are: the ability to identify market niche, the development of innovative products / services to the identified market niche, generating new ideas, scanning the environment, recognise opportunities, and to take advantage of opportunities through the implementation of effective strategies.

All studies into the factors affecting the intention to start a business, and the personal characteristics of entrepreneurs, failed to capture a standard set of factors and characteristics that motivated people to start a business. But generally speaking, most studies have acknowledged the important role of the external environment in terms of regulation and the access to finance, enabling entrepreneurs to explore opportunities, entrepreneurship education, and the stage of economic development level in

encouraging and motivating entrepreneurs to start their own business. In addition to the external environment motives, most of the studies have acknowledged the role of the entrepreneur's character in taking serious and concrete steps towards addressing perceived opportunities (Robinson, Stimpson, Huefner, and Hunt 1991, Bygrave 1989, Yusof 2007, Cunningham and Lischeron, 1991, Nelson et al. 1982, Fischer, Reuber, and Dyke 1993, Birley and Westhead 1994, GEM 2014, Hayton 2015, Mitchelmore and Rowley 2013, Chell 2013).

Based on the participants' responses there were two primary factors which influenced their decision to start a business: prior intention to have their own business, primarily due to their characters, and a perceived opportunity in the market that they strongly believed they could address with better products and services. These factors relate to the entrepreneurs' characteristics, and to some of the factors identified by Bygrave (1989), Robinson, Stimpson, Huefner, and Hunt (1991), and Fischer, Reuber, and Dyke (1993). Furthermore, these factors are also consistent, to a certain extent, with some of those identified by Cunningham and Lischeron (1991), who argue that deciding to leave a secure job and start a business requires self-confidence, risk-taking, internal locus of control, tolerance for ambiguity, need for achievement, and a level of innovativeness. Even though the external factors were not explored in this research, it was assumed that developing countries according to the GEM (2014) have more barriers to entrepreneurship than developed countries. Also, and as illustrated in the GEM (2014), while developing countries believe in the importance of entrepreneurship development as an important tool for economic growth and development, they fail to translate this into appropriate strategies as they are more concerned with the development of physical infrastructure. Although the participants were not asked specifically about the barriers to starting their own business, it can be assumed that entrepreneurs who decided to seek

the help of a startup or business accelerator relied on their experience to overcome different kinds of barriers.

In the next section, the evolution of business / startup accelerators will be discussed; the participants' responses regarding the motive behind their decision to start through a startup / business accelerator; their perceived challenges and how they were helped them to overcome them; the advantages and disadvantages and to what extent they would recommend the startup / business accelerator to other entrepreneurs, and their overall experience compared to their expectations.

5.3: Business accelerators as an engine to entrepreneurship development: deciding to start a business through an accelerator

Because starting a new business is associated with high levels of risk and uncertainty, most opportunity entrepreneurs attempt to start their businesses through channels that will minimise the risk and uncertainty that they have to face. Even though opportunity entrepreneurs may have the required technical knowledge to develop their innovative products and services to take advantage of a market opportunity, most of them lack the management skills and knowledge about setting up and managing the business successfully.

As the model of the accelerator is relatively new in the market, having evolved during the early 2000s in the United States, a brief history will be discussed so as to assess why entrepreneurs decide to start through an accelerator, and how the model can be viewed as a new engine for entrepreneurship development. The evolvement of business accelerators played a crucial role in shifting the responsibility for fostering entrepreneurship from the government to the private sector, where it is seen as a business opportunity that has the potential to generate profits. This new perspective will also have a great impact on encouraging more opportunity entrepreneurs, as through an

accelerator they will feel more secure working with experienced entrepreneurs to get a higher level of financial and non-financial support. Furthermore, as numbers of accelerators increase in the market, they will compete to attract more entrepreneurs, thus enabling more businesses to start and new business ideas to be introduced to the market.

Both entrepreneurial and institutional contexts demonstrated that the main factor behind deciding to start through an accelerator was the high level of trust due to the fact that the managers of the accelerator were mainly entrepreneurs. Even though funding is important, entrepreneurs who start through an accelerator are more interested in non-financial services provided in addition to the funding. Furthermore, being in a formal partnership with the accelerator is perceived a very important issue, where entrepreneurs view this form of partnership as driving and enriching the success of their business. In other words, the backing of the accelerator is one of the most important factors enabling entrepreneurs to strongly believe in their business ideas, boosting their confidence and making them feel they are not alone in the business.

The accelerator, as for profit making company through promoting innovative and creative startups, is different from purely financial or non-financial services provided by previous models of incubators. Partnering with entrepreneur(s) in the form of an accelerator is perceived as one of the main factors that affected the participants' decision to start through an accelerator and not through traditional forms due to the knowledge, networking, market access, and experience they will gain from learning, mentoring and support. In addition to the similarities between the entrepreneurial and institutional perspective about why entrepreneurs decide to start through an accelerator, the CEO of the accelerator and the chairman of the NGO believe that being supported by entrepreneurs is one of the key features of the accelerator, creating a high level of

trust between entrepreneurs and the accelerator that translates into the form of partnership in the business, thus strengthening the confidence of sponsored entrepreneurs.

Business accelerators became an attractive gateway for entrepreneurs, providing them with more than just the office space and technical support provided by business incubators; they offered involvement through being a partner in the business in exchange for the equity capital, experience, and access to market networks (Dalziel 2012, Christiansen 2009, Gilani 2011, and Miller & Bound 2011). Thus, the level of engagement of the business accelerator model provides entrepreneurs with more services than business incubators. The Accelerator gives them a higher level of confidence, lowers the level of risk associated with business startup, and enables them to gain wider market access.

Based on a research questionnaire conducted with 131 entrepreneurs that were sponsored by different business and startup accelerators, Birdsall et al. (2013) found that there are eight main reasons why entrepreneurs decide to start their business through a business accelerator, which are prioritised in the following order: the quality of mentors, the brand and reputation of the programme, the networking opportunities, the reputation of the founder(s) of the accelerator programme, the culture and working environment, the follow-on of funding opportunities, and the quality of training, in addition to other perceived reasons.

As argued in studies by Levy (2011), Miller and Bound (2011), and Chafkin (2009), entrepreneurs sponsored by business accelerators are not mainly looking for the funding, even though it is viewed as an important motivation factor; being sponsored lowers the entrepreneurs' perceived risk, provides them with technical support and assistance, network opportunities with suppliers, potential clients and investors.

Furthermore, as argued by Littlewood (2011), the business accelerator enables entrepreneurs to gain business skills and knowledge. Christiansen (2009) argues that the business accelerator provides entrepreneurs with all the help and services related to the legal and formal requirements for starting the business, recruitment, marketing and advertising, and pricing and cost related issues to the products and services.

The research participants' responses, along with the views and perspectives of the chairman of the NGO, and the CEO of the business accelerator, are to a great extent in harmony with the results demonstrated in the literature, specifically regarding the value that entrepreneurs place on being sponsored by a business accelerator in terms of non-financial services. Although the research participants were not asked to prioritise the reasons behind their decision to become sponsored by a business accelerator, all agreed that the most important reasons were the networking, training and mentoring, gaining business operations-related experience, and the positive energy generated through being surrounded by other groups and teams of startups.

5.4: Accelerators and entrepreneurial challenges

As starting a new business is associated with risk and uncertainty, all opportunity entrepreneurs foresee some challenges prior to deciding to start their own businesses. Based on the variations of the economic climate, circumstances, and development stage from country to another, challenges facing entrepreneurs would also vary from country to country. Furthermore, it has been noted from the research participants' interviews that most of the challenges they anticipated changed as soon as they started their own business. For the aim and purpose of this research, we will focus on the challenges that the entrepreneurs perceived prior to starting their own business, along with how these challenges may have changed in time.

One of the most commonly perceived challenges of the research participants was the fear of quitting a full-time secure job to start their own business. The second main perceived challenge identified by the research participants was the lack of support and encouragement from family and friends. The third main challenge was the fear of failure, and the fear of whether or not the market would accept their products and services. Finally, and as mentioned by few of the participants, the fourth perceived challenge was the lack of managerial and business skills needed to start and run their own business successfully.

Even though both the entrepreneurial and institutional perspectives acknowledge the risk and uncertainty perceived as challenges by entrepreneurs, the institutional perspective argues that entrepreneurs do not consider the upcoming challenges that they may face after starting the business, and indeed all the research participants felt that even though some of their perceived challenges were correct, after starting their businesses they faced other challenges that they had not considered.

However, as these new challenges started to appear, the participants stated that being backed up by entrepreneurs (the accelerator) helped them in overcoming these challenges. As expressed by the participants and the CEO of the accelerator, quitting a full time job is one of the major perceived challenges for opportunity entrepreneurs, whereas for the Chairman of the NGO, the main challenge from his perspective is the fear of market acceptance of the entrepreneurs' products and services. Starting through an accelerator, according to the institutional and entrepreneurial perspectives, enables entrepreneurs through the high level of training, support, mentoring and experience they receive to gain knowledge about the business and management side. As mentioned by the Chairman of the NGO, being sponsored by an accelerator enables sponsored entrepreneurs to get in-depth knowledge about the commercialisation of their business

ideas, and thus better understand how their business could be profitable and successful, therefore attracting more potential investors towards the next stage after the completion of the accelerator's programme.

Through examining the literature on entrepreneurial challenges, Kabui and Maalu (2012) conducted a study on the perceived challenges of potential entrepreneurs in Nairobi, a developing country, through surveying students as potential entrepreneurs. Their survey identified nine main challenges and barriers, which are: insufficiency of funds or startup capital, inadequacy of business knowledge, development of a good business idea, fear of failure, poor support from family and friends, private business-related stress and challenges, tough market competition from larger companies, risk and uncertainty associated with starting a business, and the temptations of corruption.

Through analysing secondary data about barriers that face new entrepreneurs, Kanchana, Divya, and Beegom (2013) identified several common challenges: lack of a vision and business idea, problems in raising capital, difficulty in assembling the right business team, difficulty in finding the right business location, difficulty in attracting qualified and good employees, difficulty in reaching customers, the difficulty in dealing with competition, unforeseen expenses related to business operations, the inability of startups to keep up to date with the technological and industrial changes, difficulty in exiting the business, the stress associated with starting a business, the problem of overestimating success, staying focused as many entrepreneurs attempt to play several roles in the business, and the lack of passion and purpose.

To further explore entrepreneurial activities across different countries, and what affects them, the GEM (2014) entrepreneurship framework conditions identified four main individual attributes: how entrepreneurs perceive market opportunities, how they perceive their own capabilities regarding starting and running their own business, the

fear of failure, and the intention to become entrepreneurs. In addition to individual attributes, GEM (2014) identified four main factors that contribute to the development of entrepreneurship: lack of education and training, restrictive regulatory environment, weak labour laws that inhibit businesses to hire the right people, and limited information technology coverage and high cost of Internet.

While the GEM (2014) global report takes into consideration the results reported from seventy-three countries, with over 260,000 surveyed individuals, both necessity or opportunity entrepreneurs, the national and local GEM reports will provide more in-depth and detailed results to compare with both the entrepreneurial and institutional perspectives of the research participants. According to the GEM (2012) national report on Egypt, and in addition to the lack of unified body for startups, gender discrimination, and entry barriers in developing countries, ten constraints were reported as barriers for entrepreneurs to start their own business, which are:

1. The lack of financial instruments and tools,
2. The absence of proper entrepreneurship education and training at all levels,
3. The lack of non-financial services such as the technical support and assistance
4. The weak legal and regulatory framework concerning labour, workforce, and bankruptcy laws,
5. the non-supportive culture about entrepreneurship,
6. the level of corruption,
7. the bureaucracy in government agencies,
8. The lack of mentorship and training, and some additional factors such as the lack of a unified body for startups, gender discrimination, and entry barriers.

Based on the entrepreneurship framework conditions model, entrepreneurial intentions were examined to identify the percentage of opportunity to necessity entrepreneurs. As

the purpose of this research is to focus on how the startup accelerator model can empower opportunity entrepreneurship in developing country as Egypt, only the perceived challenges of opportunity entrepreneurs were examined through the interviews.

Through comparing institutional and entrepreneurial perspectives of the challenges of starting a business with the literature (GEM 2012, GEM 2014, Kanchana, Divya, and Beegom 2013, and Kabui and Maalu 2012), it can be noted that most of the challenges perceived by the research participants fall into one or more categories of the challenges identified in previous research. On the other hand, and as reported by the GEM (2014) global report, the intention to become an entrepreneur was found to be higher in developing than in developed countries. Furthermore, and as demonstrated by the GEM (2014) global report, the fear of failure was higher among entrepreneurs in innovation-driven economies (developed countries), which reflects that entrepreneurs in less developed countries do not fear failure compared to those in more developed countries.

5.5: Advantages and Disadvantages of Accelerators

From both the entrepreneurial and institutional perspectives, the advantages perceived by the entrepreneurs sponsored by the accelerator were mainly the non-financial services provided in terms of the training, support, mentorship, and access to market networks. As expressed by all the participants, as well as the CEO of the accelerator, the learning and experience they gained within the incubation period was more than they could have learned in a year if they had started the business on their own. From the institutional perspective, the additional advantage of being sponsored by an accelerator was business credibility, and both the CEO of the accelerator and the Chairman of the NGO felt that being sponsored by an accelerator gives a strong push

to the branding of the products and services provided by the companies of entrepreneurs.

As the accelerator model is relatively new, and only a few studies have addressed this phenomenon to date, it has been referred to variously as the seed, startup, or business accelerator. Miller and Bound (2011) identified five main features that differentiate accelerators from incubators: the focus on teams and business ideas in a competitive environment, the contribution of equity finance in return for ownership, preferring to work with teams instead of individual entrepreneurs, time limited incubation and support, and operating through sponsoring fixed number of startups over batches across the year. From another perspective, Isabelle (2013) argues that incubators and accelerators are different in several aspects: incubators provide startup companies with long-term incubation compared to the fixed-term provided by accelerators; accelerators focus on shorter incubation time, while incubators focus on longer incubation time ; incubators operate as institutions that are generally non-profit-seeking, while accelerators are generally for-profit; and finally incubators are more focused on economic development through supporting new startups, while accelerators are more focused on growth and Return on Investment (ROI) through investing in startups.

Taking into consideration the relatively recent evolution of accelerators, and the fact that the term and model of accelerators have not been addressed extensively in the literature, the advantages or value proposition of accelerators is primarily discussed in terms of comparing them to incubators. As illustrated by Bollingtoft and Ulhoi (2005), one of the major advantages of accelerators over incubators is the acceleration process in terms of the limited incubation period, and the high impact on startups they support. Furthermore, and as illustrated by Christiansen (2009), one important advantage of accelerators is the nature of their founders, who are mostly angel investors or

experienced entrepreneurs looking for a high ROI through investing in startups; which is why a high percentage of startups sponsored by accelerators achieve high levels of success.

For entrepreneurs sponsored by accelerators, as argued by Chafkin (2009), Christiansen (2009), and Levy (2011), even though seed funding is an important advantage as it reduces risk, the major advantages are the non-financial services provided to entrepreneurs in terms of access to market networks, the courage that entrepreneurs gain through partnering with the accelerator, and the technical support and management experience they receive. Furthermore, and as argued by Chafkin (2009), the technical advice and support provided by the accelerator enables entrepreneurs to gain better understanding about their products and services through continuous feedback from the experts. Cohen (2013) argues that in addition to office space and seed funding, the advantages of accelerators are gained through the coaching and mentoring they provide to entrepreneurs. Moreover, Cohen (2013) argues that as most of the accelerators' founders are entrepreneurs, they have a strong network with venture capitalists, angel investors, and capital venture firms, by which they enable strong networking between entrepreneurs and members of the network to gain more access to funds and growth.

Even though studies on accelerators are few due to its newness in the market, most of the advantages demonstrated in these studies are relevant to the research participants' perspectives on the advantages of being sponsored by an accelerator in Egypt. Most felt that the advantages of being sponsored by an accelerator were the non-financial services provided; although seed financing in exchange for equity was also important, all participants viewed the mentoring, learning, coaching, and networking as major advantages to their business startups. As demonstrated by the research participants, and according to entrepreneurs' success and failure factors illustrated by Mullane, Peters,

and Bullington (2001), accelerators provided entrepreneurs with three main services that may have an impact on the success of entrepreneurs: seed capital to enable the startup of the company; managerial services in terms of the office space provided, staffing, access to network of clients and suppliers, learning, and technical support service; and strategically through mentoring and coaching provided through market experts.

Regarding the disadvantages, both the entrepreneurial and institutional view was that there was a financial and technical support gap upon the completion of the incubation period, in that entrepreneurs who did not have the opportunity to raise funds through investors had to depend on the revenue generated by the business to survive, where normally it would be difficult for a startup to break even within three to six months. As expressed by the chairman of the NGO and the CEO of the accelerator, and taking into consideration the relative newness of the accelerator model especially in Egypt as a developing country, accelerators should be able to better connect with different types of investors that can take the startups into the next stage of growth and development. The CEO of the accelerator felt that accelerators are mainly focused on accelerating business success or failure in less time than the entrepreneurs would take on their own, where upon the completion of acceleration period the entrepreneurs should be also sponsored during their growth and maturity stage. Given the relative newness of the accelerator in supporting entrepreneurs, all the research has been focused on providing insights into how the accelerator model could be enhanced to strengthen accelerators to support more entrepreneurs.

5.6: Conclusions

As illustrated in Table 1 which contrasts the institutional and entrepreneurial perspectives on starting through an accelerator, the research has neglected the barriers

related to government involvement, despite evidence from around the world that opportunity entrepreneurs are still facing barriers everywhere. Both entrepreneurial and institutional perspectives were similar regarding that entrepreneurs were motivated and influenced by the market opportunity that they saw. The institutional perspective was different from the entrepreneurial in viewing the personal characteristics of the entrepreneur as an important factor, in that many potential entrepreneurs may sense an opportunity but not all will take advantage of it. Regarding the entrepreneurs' decision to start through an accelerator, both entrepreneurial and institutional perspectives viewed the non-financial services in addition to the equity finance as highly valued by entrepreneurs. Even though entrepreneurs believed that risk still existed when starting through an accelerator, the institutional perspective viewed it as a more secure option for them.

As shown in Table 1, both entrepreneurial and institutional perspectives viewed leaving a secure job to start a business as the main perceived challenge for entrepreneurs, and both perspectives felt that starting through an accelerator enabled entrepreneurs to better overcome challenges than if they were to start on their own. The difference from the institutional perspective is that as the accelerator is more experienced, they realise that the main challenges may come after starting the business. Furthermore, the real challenge from the institutional perspective in addition to job security is whether the market will accept the products or services of entrepreneurs; many products may address a real life problem but this might not be enough to maintain a profitable and successful business.

Concerning the advantages and disadvantages of the accelerator, and contrasting it with the incubator model from both the institutional and entrepreneurial perspective, the advantages of the accelerator are the enrichment to the entrepreneurs' skills and

experience through training, mentorship, and guidance. From the institutional perspective though not expressed by the participants, the main advantage of the accelerator was the credibility that it provides to the entrepreneurs' products and services, strengthening confidence levels of customers in the market. Regarding the disadvantages, both the entrepreneurial and institutional perspective saw a huge gap in terms of the financial and non-financial services to entrepreneurs after the completion of the incubation period, especially for those entrepreneurs who were not able to raise more funds through investments. A different disadvantage, from the entrepreneurial perspective, was the amount of pressure exerted by the accelerator, especially regarding the amount of time that entrepreneurs were expected to spend on marketing campaigns and events conducted by the accelerator.

Finally, and from both the entrepreneurial and institutional perspective, most of the sponsored entrepreneurs' experience was positive, and all participants expressed that they gained more than they expected from the accelerator, even though some of the research participants suffered upon the completion of the incubation period. When the interviews were conducted two participants have already decided to go out of business, which means that even though they had failed, they still believed their experience with the accelerator was positive. The difference between the entrepreneurial and institutional perspective was that some entrepreneurs who experienced business failure might blame the accelerator due to the standardised process of the accelerator model. As most of the sponsored entrepreneurs' expectations were met, they said they would always recommend the accelerator model to other startups, and from the institutional perspective this was perceived through the increasing number of referred potential entrepreneurs.

No matter what the economic environment or legal and regulatory framework, opportunity entrepreneurs will always find their way to success, motivated primarily by their willingness and ability, and the market opportunity they believe in. What makes the accelerator model more attractive for novice entrepreneurs, regardless of the financial and non-financial services it offers, is that it is run by people who support, understand, and believe in their business ideas. Entrepreneurs need to be guided by other entrepreneurs; they do not just need finance and support, but also the real-life knowledge and experience of successful entrepreneurs.

Chapter 6

Review of Findings and Conclusions

6.1: Introduction

The phenomenon of entrepreneurship has been studied from different perspectives: some researchers have focused on the entrepreneur and his/her personal characteristics, others have focused on the exploitation or creation of market opportunity, and others on the whole system or ecosystem of entrepreneurship in terms of various determinants and indicators of entrepreneurship according to different levels of the economy (GEM 2014, OECD, Isenberg 2010).

The various studies across the globe have demonstrated how different models and processes have evolved, such as angel investors, private equity, incubators with their various types and structures, and the evolvement of the accelerator model. As the accelerator model is relatively new, evolving in 2010 (Tozzi 2011), it is viewed as a totally new gateway to strengthening and empowering entrepreneurship, due to its formal partnership with the entrepreneurs, and high level of involvement in the business. As the accelerator is primarily a profit-seeking organisation, research was conducted to explore how the accelerator could strengthen entrepreneurship in developing countries. This chapter will summarise the research objectives and process, the research findings, implications for entrepreneurs, accelerators, and policy makers, limitations of the research, and ideas for future research.

6.2: Research overview

The research explores the emergence of the accelerator model and how it could be viewed as a new engine for entrepreneurship development, especially in developing countries, as a for-profit entity. The research focused on gaining insights about the

sponsorship process from the entrepreneurial and institutional perspectives, through interviewing entrepreneurs that were sponsored by an accelerator, the CEO of the startup accelerator, and the Chairman of an NGO.

Entrepreneurs Business Forum (EBF) was selected to reflect the institutional perspective as a non-governmental organisation (NGO) which has been operating in Egypt since 2004 with the aim of empowering opportunity entrepreneurs. EBF has worked in various entrepreneurship development projects since its foundation, as well as working closely with governmental organisations towards identifying and strengthening policies for promoting entrepreneurship in Egypt. Furthermore, EBF was the first organisation that started the development of the Egyptian Business Angels Network (EBAN), which aims at connecting potential entrepreneurs with angel investors. Moreover, EBF has been witnessing the evolvement of the accelerators in Egypt, as well as working with them closely in supporting and identifying sponsored and potential entrepreneurs.

The second institutional perspective was explored through the CEO of the accelerator, to gain better insight on the accelerator process since it stated in Egypt, a developing country. According to the GEM (2014), developing countries are more concerned with implementing national projects and the development of physical infrastructure, and encouraging new business startups is considered as a tool to address high unemployment rates, by which the government supports necessity entrepreneurs to start very traditional and secure businesses. We asked the CEO of the accelerator to randomly recommend six entrepreneurs that were sponsored by the accelerator, without considering any criteria such as gender, education level, or business sector. An interview was conducted with the participants either in person or via Skype based on their preference.

An extensive literature review was conducted to explore various definitions of entrepreneurship, various entrepreneurship models, different perspectives about entrepreneurship, and how entrepreneurship varies according to different economic levels across countries. Moreover, literature about the evolvement of incubators and accelerators was reviewed so as to compare it with institutional and entrepreneurial perspectives, although existing literature on the accelerator model is limited due to its relative newness as a concept.

While exploring how the accelerator, as a for-profit organisation, can be a more effective engine for entrepreneurship development, especially in developing countries, the role of government in terms of the regulatory and legal framework was neglected, as we believe that the accelerator model should be considered as a significant mediator between the government bodies and entrepreneurs. It should be also noted that as the accelerator model is relatively new, its impact on entrepreneurship has not been effectively examined nor criticised in the literature, and also there are many improvements that may further be made as more accelerators exist and compete in the market.

6.3: Key findings

It can be concluded that the accelerator model cannot be viewed as a developed version of the incubators, even though some similarities between the two processes, but instead the accelerator model can be viewed as a new gateway to entrepreneurship development managed and administered by the private sector through for-profit making organizations.

Interviews was conducted, and transcribed in scripts as shown in tables 1, 2, 3, 4, 5, 6, 7, and 8. The data presented in the tables illustrate the entrepreneurial and institutional responses to each question from the entrepreneurs, the CEO of the accelerator, and the

chairman of the NGO, with selected quotes from the participants, and interpretation of their statements. Furthermore, both institutional and entrepreneurial perspectives were compared to the existing literature on opportunity entrepreneurship, and on the various models of incubation and accelerator services provided.

While the research was conducted on entrepreneurs sponsored by one of the accelerators in Egypt as a developing country, barriers to entrepreneurship in Egypt were not investigated, especially any barriers or perceived challenges related to government policies or regulatory frameworks. This was for two main reasons: first, as demonstrated by the GEM (2014) and Isenberg (2010), developing countries are more concerned with the development of physical infrastructures and national projects; and second, the research does not aim at exploring the barriers to entrepreneurship in developing countries.

In terms of what influenced them to start their business, all participants demonstrated that they had the entrepreneurial intention to start their own business, and that this created an alertness to explore business opportunities. From the institutional perspectives, the primary reason was the market opportunity that entrepreneurs believed they could take advantage of. Thus the first finding is that opportunity entrepreneurs that were sponsored by the accelerator were influenced to start their own business by their prior intention to have their own business, regardless of whether or not they had good or bad experience of private business, and their alertness to exploring market opportunities.

In response to why the research participants decided to start through an accelerator, all confirmed that they were interested in the non-financial services provided by the accelerator in addition to the seed capital, especially as the accelerator is a formal partner in the business. The partnership between the accelerator and the sponsored

entrepreneurs encouraged them to overcome the uncertainty and risk associated with starting their own business. According to the entrepreneurial perspectives of the research participants, and taking into consideration that their reasons for starting through an accelerator varied, they all agreed that the accelerator encouraged them to take the step that would transform their ideas into real businesses.

In response to the participants' perceived challenges prior to starting their own business, and how they were able to overcome them through accelerator sponsorship, all participants stated that when they started their business they discovered that they were facing different challenges from what they expected. Furthermore, all the participants agreed that due to the high involvement of the accelerator and the support services provides, they were able to overcome their challenges successfully, meaning their business experience was strengthened and developed by working with the accelerator.

Exploring the advantages and disadvantages of the accelerator model from both the entrepreneurial and institutional perspectives aimed at examining the areas of improvements to the accelerator's model, especially only two of them exists to date in Egypt. The CEO of the accelerator stated that according to the feedback from each cycle, some changes were made to the process; for example, the amount of seed capital increased, a policy for reinvestment was refined, and the incubation period increased. Taking into consideration the modifications made to the accelerator's process, the CEO stated that there were still more improvements to the model that needed to be done, and as they gained experience and feedback from more entrepreneurs, they would be able to continuously improve and enhance the model.

Finally, in response to experience versus expectations, and to whether they would recommend the accelerator to other potential entrepreneurs, all the entrepreneurs stated that they received more than they expected from the accelerator. With regard to

recommendation, responses from the entrepreneurial perspective varied; some of them believed that the accelerator model would be beneficial to any individual who was considering starting his/her business, while some argued that the accelerator model was only beneficial to entrepreneurs who lacked the managerial and business experience, and network connections.

Through analysis of the entrepreneurial and institutional perspectives, along with the existing literature, the most two important and common factors that affected entrepreneurial activity were entrepreneurial intentions and the readiness to discover and exploit opportunity. In addition, the existing literature has established many other factors that may influence the entrepreneurial activity. According to Bridge (2010), not all people can act as entrepreneurs, and there are three main types or levels of entrepreneurship: those who will always act in an entrepreneurial way, those who might be encouraged to do so, and those who would never consider or cannot be encouraged to become entrepreneurs.

Figure 6.1 shows the importance of the entrepreneurial intentions of the entrepreneur, and their readiness and abilities to exploit opportunities, which are two important factors that are also acknowledged in the entrepreneurial models presented. The accelerator was considered as the encouragement factor for those potential entrepreneurs who needed to be encouraged to become entrepreneurs. In addition to the financial and non-financial services provided by the accelerator, the encouragement to entrepreneurs is mainly due to the level of involvement and experience of the accelerator as a partner in their business, which lowers their perceived risk and uncertainty associated with starting a new business.

The partnership model of the accelerator is the major distinction among other models of incubation, by which it encourages entrepreneurs who need to be encouraged to start

their own business. Thus, it can be noted that business accelerators can only be helpful for entrepreneurs who are not ready to start their business on their own, and need the different forms of financial and non-financial support to empower their self-confidence. Businesses which started through business incubators (Aaboen 2009, and Lewis et al. 2011) achieved more than those who started on their own: this success was due to the non-financial services they received in terms of support, training, and access to market networks. As argued by Chafkin (2009), Christiansen (2009), and Levy (2011), the major advantage of accelerators to entrepreneurs in addition to the seed capital they receive is the various non-financial services. As argued by Chafkin (2009), Christiansen (2009), and Levy (2011), the support, training, and mentorship offered by experienced entrepreneurs, who are the founders of the accelerator and their network, encourage entrepreneurs and enrich their self-confidence, as well as guiding them successfully through their business startup journey.

Therefore, the accelerator contribution of finance and support and formal involvement with the entrepreneurs as a business partner are the key factors that encourage entrepreneurs and raise their confidence, increasing their level of security and certainty about the decision to start their own business. As demonstrated by the research participants, the accelerator empowered them and influenced their decision to start their own business, not only through the financial and non-financial services provided, but through his high level of formal involvement as a partner in the business in return for the seed capital provided.

6.4: Research Implications

The research outcomes lead to a variety of implications for potential opportunity entrepreneurs, accelerators, angel investors and venture capitalists, policy makers, and

scholars. As a founding and executive member of EBF (the NGO in the study), I will be able to drive the involvement of EBF in several initiatives with the involved parties.

6.4.1: Implications for potential opportunity entrepreneurs

Even though the entrepreneurial readiness levels may vary among entrepreneurs according to different variables such as their prior experience, personal characteristics, fear of failure, and perception about uncertainty and risk, the acceleration process embedded within the accelerator programme enables entrepreneurs to save time and effort in realising the success or failure of their business ideas in the real world. Furthermore, it gives them a better chance of identifying the real challenges that they will face which, according to both entrepreneurial and institutional perspectives of the research participants, are different from the perceived challenges.

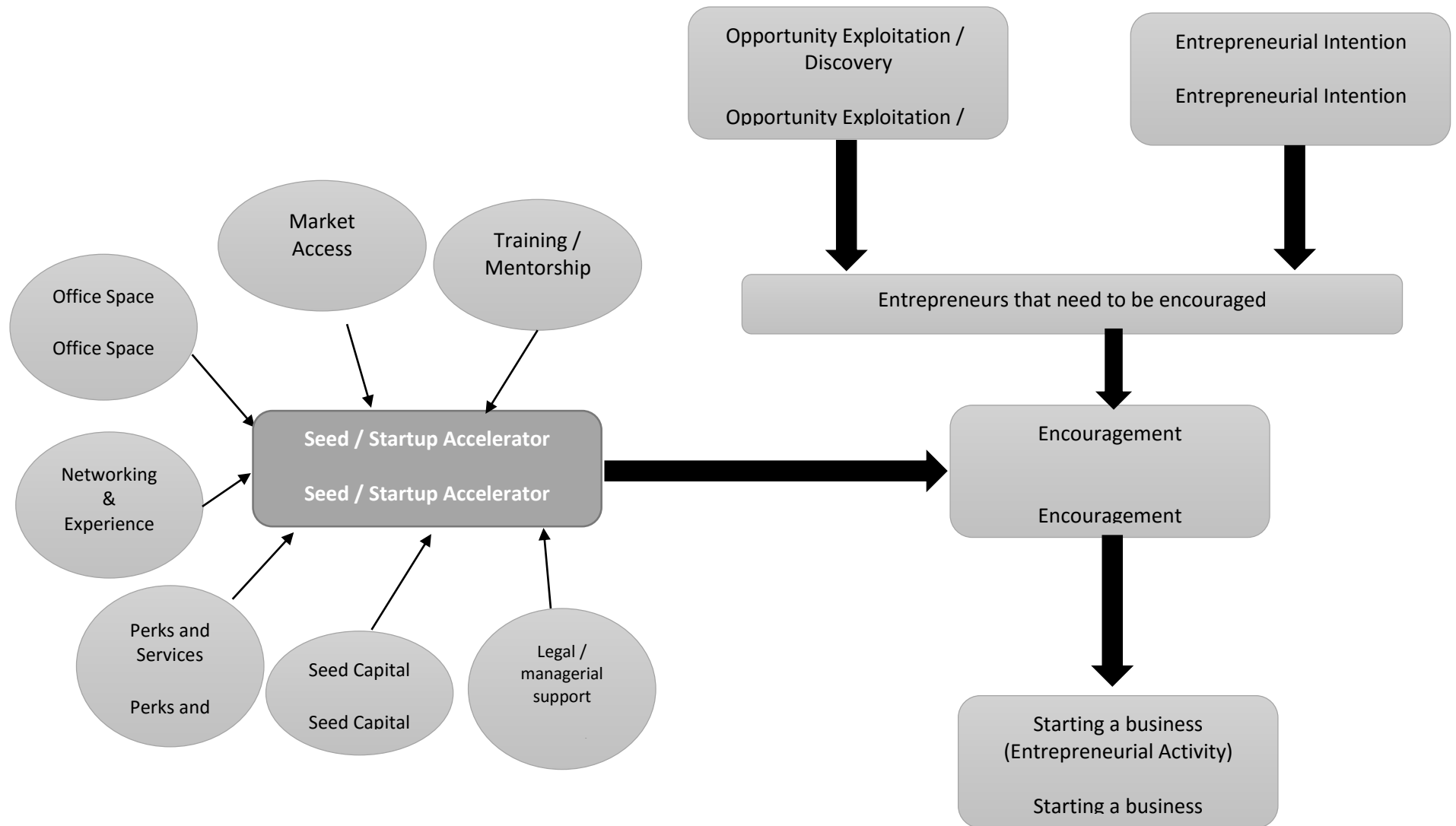
Moreover, being sponsored by an accelerator gives entrepreneurs the chance to gain experience from being a member of a network of entrepreneurs, as well as being part of a large organisation that has strong access to market networks. Learning through a systematic and programmed approach with an accelerator also enriches the entrepreneurs' skills and capabilities, as the learning programmes are designed by professionals in the field, for the purpose of enabling entrepreneurs to succeed in their business.

As EBF operates all over Egypt in cooperation with colleges and universities, EBF will jointly prepare for an awareness campaign that will include the implementation of multiple events and workshops about the new model of the business accelerator in Egypt. In doing so, EBF will invite business accelerators to participate in these series of events so that they can present their model to the students as potential entrepreneurs, and to demonstrate to them the benefits and advantages of the accelerator model, so that they can encourage more opportunity entrepreneurs.

6.4.2: Implications for accelerators

As the accelerator model is relatively new, whether in developed or developing countries, by working with different entrepreneurs through business cycles, and networking with other accelerators, the accelerator will be able to enrich and enhance the acceleration programme for the purpose of encouraging and attracting more entrepreneurs. As the accelerator is mainly a for-profit organisation, their main aim is to generate profits from selling their ownership shares to investors when the entrepreneurs businesses become profitable. This growth potential is noticed by investors, and as the accelerator model becomes more attractive to entrepreneurs, and generates more successful businesses, the accelerator will be able to strengthen the investors' network and thus create a sustainable post-incubation environment that will allow entrepreneurs who did not succeed in raising funds after the incubation period to sustain themselves and not to face the post-incubation challenges alone.

There are two significant impacts by which EBF can strengthen accelerators in Egypt, and therefore empower entrepreneurship. First, as EBF members are entrepreneurs that aims at empowering entrepreneurs, EBF will arrange to put their members in contact with accelerators where they can be used as mentors for sponsored entrepreneurs. Second, as other business accelerators started to take place in the market, EBF is planning to establish the Egyptian Accelerators' Network (EAN) that aims at bringing together all the business accelerators together so that they can form a unified representative body that will work with government officials towards addressing the business related problems for accelerators in Egypt.



■ **Figure 6.1: The accelerator's model encouraging individuals to act entrepreneurial**

6.4.3: Implications for investors

As some investors believe in investing in new businesses with high growth potential, and as they usually prefer not to make their investments during the business startup phase, investors in the form of angel investors, venture capitalists, and venture capital firms should strengthen their relationship with accelerator in order to better discover and explore potential and promising investment opportunities. As the accelerator's involvement is during the business startup phase, they will be more aware of the variety of businesses since it started, and they can demonstrate the proven record of success and more measurable growth potential.

As EBF was the first NGO to construct the Egyptian Business Angels' Network (EBAN) that includes potential investors interested in financing startups, EBF will have the privilege of connecting those investors with business accelerators. Connecting investors interested in financing startups with business accelerators will have a significant impact on addressing the post incubation period that was raised by the research participants, as well as the accelerator.

6.4.4: Implications for policy makers

Even though governments and policy makers acknowledge the importance of entrepreneurship specifically, and in small and medium enterprises in general, as their role in the economic development and growth has been shown in many countries, working directly with entrepreneurs is extremely difficult. This is due to the time and effort needed to properly and effectively understand the different needs of entrepreneurs in the absence of formal channels between policy makers and entrepreneurs, especially in developing countries. Policy makers should engage closely with accelerators, as they are considered an entrepreneurial hub that connects potential entrepreneurs to the market, in order to get better and in-depth insights about the challenges and barriers that face entrepreneurs. Furthermore, through engaging with accelerators, policy makers

will be able to get insightful information about the type of businesses and business ideas that are new, innovative, and creative in the market, in addition to strengthening the growth of the formal business sector. By getting insightful information about entrepreneurs, and especially the opportunity entrepreneurs, from accelerators, and through working closely with them, policy makers will be able to continuously develop and refine the appropriate policies and frameworks need to strengthen and empower entrepreneurship towards achieving higher levels of economic growth and development.

As the research aimed at exploring how the accelerator model, as a for-profit organization, may positively impact entrepreneurship development, issues related to government in terms of legal and regulatory frameworks were not assessed in the research study. This does not mean that government policies are not important to entrepreneurship development, where in Egypt as developing countries many barriers exist to potential entrepreneurs in relation to the legal and regulatory frameworks. EBF holds a strong relationships with different governmental bodies, where they participated with the organization with multiple initiatives aiming at strengthening and empowering entrepreneurship.

One of the main issues and problems in Egypt is that there is no one single entity responsible for the new business creation, and this is due of course to the laws and legislations. EBF is currently taking serious steps and actions in cooperation with government officials to implement the Egyptian Entrepreneurship Development Agency (EEDA), which will aim at bringing together all parties involved and interested in promoting opportunity entrepreneurship in Egypt.

6.4.5: Implications for scholars

The accelerator model can be viewed as a new tool for opportunity entrepreneurship development, especially in terms of investment in the form of seed capital, and level of involvement with

potential entrepreneurs in the day to day management of the business during the incubation period. Furthermore, as the accelerator holds a strong network of investors, mentors, and is founded by entrepreneurs as a for-profit organisation, scholars should examine the factors that affect the success and failure of accelerator through studying more cases of entrepreneurs who were sponsored by them. Moreover, scholars should also study the different accelerators model across countries with different economic contexts.

As EBF is considered the first organisation in Egypt that aims at empowering the opportunity entrepreneurship type, EBF had the pleasure and honor to be one of the participants in the GEM (2010) national report, and as this study have focused on the accelerator model in Egypt, and how this model can be considered one of the opportunity entrepreneurship empowerment tools in Egypt as a developing country. It is intended, under the sponsorship of EBF, to work on publishing some articles related to the business accelerator model, especially in Egypt as a developing country, by which we can add knowledge to the academic literature from the practitioner's perspective.

6.5: Limitations of the research

As this research is conducted on opportunity entrepreneurs that started their business through being sponsored by an accelerator in Egypt as a developing country, the findings cannot be generalised for either opportunity entrepreneurs, or any other developing countries. Generalisation of the findings cannot be achieved due to two main reasons: the phenomenological qualitative research approach used, and the economic circumstances and environment of Egypt as a developing country. Furthermore, this research is limited to opportunity entrepreneurship, which is those who are motivated to start a business to explore an opportunity under conditions of uncertainty and risk by introducing innovative products and services, sponsored by an accelerator.

Moreover, the research did not focus on the role of government even though it is important whether in developed or developing countries. All issues related to government were neglected in order to demonstrate how the market-based approach, the accelerator operating for profit-seeking, may be able to overcome legal and regulatory barriers, and operate more efficiently and effectively towards empowering and supporting opportunity entrepreneurship in developing countries.

6.6: Future research

Taking into consideration the relatively new evolution of the accelerator model, and the few studies conducted so far, future research should focus on how the accelerators business models would emerge after the completion of the accelerators' incubation period, especially for those entrepreneurs that did not raise funds after the completion of the incubation period. Furthermore, future research should also focus on how accelerators could establish a strong connection with government officials; since they are exposed to many entrepreneurs and entrepreneurial experiences, they will more easily be able to categorise the barriers to entrepreneurship, and enable the government to identify the solutions and policies to overcome these barriers.

Chapter7

Reflections of the scholar-practitioner

7.1: Introduction

As a founding and active member of EBF I have engaged in many entrepreneurship awareness and development projects since foundation of the organization in 2006, I have also personally experienced many challenges and problems relating to entrepreneurship in Egypt. Each project or initiative helped our organization in identifying the various challenges, and problems and barriers faced by entrepreneurs in Egypt. Such barriers are a concern to potential entrepreneurs who have an interest in starting their own businesses as well as existing entrepreneurs who are already running their businesses.

The objective of EBF was to empower potential and existing entrepreneurs through addressing the challenges and barriers they face with effective solutions. We attempted to address these challenges in two ways: first, through establishing continuous dialogue with different government bodies to explore how these challenges may be dealt with effectively over the longer-term through the reform of legislative and regulatory frameworks; and second through implementing initiatives to address these challenges in the shorter-term. For example, in addressing the financing challenges, especially equity finance, EBF initiated the Egyptian Business Angels Network (EBAN), which aimed to connect investors directly with entrepreneurs. Also, as only successful and wealthy business people are recognized by the media, EBF addressed this issue by issuing the Business Success Stories book that was the first to the activities of unknown entrepreneurs with interesting stories (Youssef 2009). We also conducted several events in universities and colleges during a tour along with selected entrepreneurs from the success stories book.

Through direct involvement in various organizational projects and initiatives, I realized that one of the major challenges was changing the legislative and regulatory framework. However, I did realize that promoting such changes could be beyond even capabilities of our organization. Therefore, and I took the advantage of addressing entrepreneurship development from a different perspective by following the action research cycle developed by Coghlan and Brannick (2010) which are: Construction, Planning Action, Taking Action, and Evaluating Action.

7.2: Constructing:

According to Coghlan and Brannick (2010, p.9), the construction stage involves identifying the research project problem and issues through a dialogic activity with the stakeholders. As we have realized that changing the legislative and regulatory frameworks in Egypt was far beyond the capabilities of our organization, we started by exploring the idea of how the private sector could have an effective role in promoting entrepreneurship. As a result of our earlier projects we realized the importance of potential entrepreneurs having the opportunity to engage with existing entrepreneurs.

The Egyptian Business Angels Network (EBAN) failed to achieve the required goals due to the absence of a legal framework to support the initiative. Therefore, we believed that the business accelerator model (Figure 6.1) would be the best established for-profit organization for promoting opportunity entrepreneurs. As discussed earlier, one of the main differentiator of the business accelerator over other models is the founders' entrepreneurial experience, the for-profit motives, and the high levels of involvement expressed in the business relationship with potential entrepreneurs.

7.3: Planning Action

We witnessed the birth of the first business accelerator in Egypt and had the privilege of engaging in the startup process as well as participating in the awareness and launch campaign. We believed strongly in the capabilities of the business accelerator model for empowering opportunity entrepreneurs in Egypt. Next, and as outlined by Coghlan and Brannick (2010, p.9), we planned to conduct the research according to the context and purpose of the problem identified in the construction stage.

One of the main research objectives was to capture the essence of the sponsored entrepreneurs' experience from incubation to post-incubation during the sponsorship period. Furthermore, the research aimed to explore the perspectives of key individuals from the NGO and the business accelerator about the process of providing support for aspiring entrepreneurs, and the areas of for improvement to strengthen the business accelerators' performance.

As an insider researcher with previous experience of working with opportunity entrepreneurs the research aimed at gaining an in-depth understanding of the business accelerator process. Therefore, the study focused on six entrepreneurs, nominated by the accelerator, and who completed the sponsorship cycle, incubation and post-incubation period.

7.4: Taking Action

I started interviewing the six participating entrepreneurs, the chairman of the NGO, and the CEO of the business accelerator with the aim of gaining in-depth insights about the accelerator model from both the entrepreneurial and institutional perspectives. The results of the interviews were extensively analyzed from both the entrepreneurial and institutional perspectives and, in order to maintain research rigour and relevance, the results were compared with the existing literature about business accelerators.

7.5: Evaluation

The aim of action research is to produce a workable solution to improving the performance of the business accelerator. While taking into consideration the relatively new development of the accelerator model worldwide, and through comparing the research findings from both institutional and entrepreneurial perspectives with the existing literature, some areas of improvement have been identified to strengthen the accelerator model in Egypt. The accelerator model can be viewed as one of the best private-sector solution to promoting and empowering opportunity entrepreneurship, our organisation planned to take an active role in strengthening the business accelerator model in the following ways:

- Implement the Egyptian Entrepreneurship Development Agency (EEDA), which will aim at bringing together all parties involved and interested in promoting opportunity entrepreneurship in Egypt.
- To connect business accelerators and stakeholders involved and interested in the promotion of opportunity entrepreneurship in Egypt through the Egyptian Accelerators Network (EAN).
- Empowering the post-incubation period of the accelerators by enabling investors to participate actively in the selection of entrepreneurs to be sponsored.
- Enabling the engagement between the members of the NGO with the accelerators as mentors and advisors to sponsored entrepreneurs.

7.6: Conclusion

Taking into consideration that the business accelerator model is a relatively new initiative in developed countries and is relatively untried in developing countries. Also taking into consideration the many challenges facing Egypt as a developing country compared to developed countries, the model presented in figure 6.1 reflects the importance of the accelerator for entrepreneurs who need to be encouraged to start their own business. As illustrated in the model, accelerators are equipped with all the financial and non-financial resources to encourage entrepreneurs, as well as the experience, and their high-level and active involvement in the management of business startups through partnering with potential entrepreneurs.

Combining research and practice experience helped me as a scholar practitioner to strengthen my capabilities in addressing organisational problems with workable solutions that has solid credit in the academic literature, and supported by reflective learning from taking actions. Throughout the coursework, and in addition to acquiring new knowledge in different areas of management, I practiced action learning learned how to explore organizational problems from both the academic and practice perspectives, by which I learned how to conduct organizational research that aims at solving organizational problems.

The business world is full of many challenges that neither academic theories nor practice experience can address them effectively, and the practice of action learning enabled me to acquire both the knowledge and experience of conducting organizational research through the DBA learning journey. Furthermore, I learned how to take into consideration the differences in settings and contexts of organisational problems, by which to what extent research relevance and rigour should be considered to generalize or customize the solutions to organizational problems.

References

- Aaboen, L. (2009), “Explaining incubators using firm analogy”, *Technovation*, 29(10), pp. 657–670.
- Abdulsaleh, A. M. and Worthington, A. C. (2013), “Small and Medium-Sized Enterprises Financing: A Review of Literature”, *International Journal of Business and Management*, 8 (14), pp. 36-54.
- Aerts, K. P. Matthyssens, and K. Vandenbempt (2007), “Critical Role and Screening Practices of European Business Incubators”, *Technovation*, 27 (5), pp. 254–67.
- Acs, Z. J. and Pamela Mueller, (2008), “Employment Effects of Business Dynamics: Mice, Gazelles and Elephants”, *Small Business Economics*, 30(1), pp. 85-100.
- Acs, Z. J. and Szerb, L., Autio, E. (2015), “Global entrepreneurship and development index 2011”, Cheltenham, UK and Northampton, MA, USA: Edward Elgar.
- Ahmad, N. and Hoffman, A. (2007), “A Framework for Addressing and Measuring Entrepreneurship: OECD Statistics Directorate Working Paper”, *STD/DOC (2008) 2*, viewed on May 15, 2015, <http://www.oecd.org/industry/business-stats/39629644.pdf>
- Ajzen, I. (1991), “The theory of planned behavior”, *Organizational Behavior and Human Decision Processes*, 50(2), pp. 179-211.
- Aldrich, H. E. and Yang, T. (2013). “How Do Entrepreneurs Know What to Do? Learning & Organizing in New Ventures”, *Journal of Evolutionary Economics*, 24 (1), pp. 59-82.
- Allen, D. N. and R. McCluskey (1990), “Structure, Policy, Services and Performance in the Business Incubator Industry”, *Entrepreneurship Theory and Practice*, 15 (2), pp. 61– 77.
- Allwood, C.M (2012), “The distinction between qualitative and quantitative research methods is problematic”, *Quality and Quantity Journal*, 46, pp. 1417-1429.

- Altheide, D. L. & Johnson, J. M. (1994), “Criteria for assessing interpretive validity in qualitative research”, *Handbook of Qualitative Research*, Thousand Oaks, CA: Sage Publications, pp. 485–499
- Alvarez, S. A. and Barney, J. (2005), “How entrepreneurs organize firms under conditions of uncertainty”, *Journal of Management*, 31(5), pp. 776-93.
- Alveraz, S.A. and Barney, J. (2007), “Discovery and creation: alternative theories of entrepreneurial action”, *Strategic Entrepreneurship Journal*, 1 (1-2), pp. 11–26.
- Aspers, P. (2009), “Knowledge and Value in Markets”, *Theory and Society*, 38, pp. 111–131.
- Audretsch, D.B. and A.R. Thurik, A. R. (2001), “What is new about the new economy: sources of growth in the managed and entrepreneurial economies”, *Industrial and Corporate Change*, 19, pp. 795-821.
- Audretsch, D.B. and A.R. Thurik, A. R. (2004), “A model of the entrepreneurial economy”, *International Journal of Entrepreneurship Education*, 2, pp. 143-166.
- Baumol, W. J. (1968), “Entrepreneurship in Economic Theory”, *The American Economic Review*, 58 (2), pp. 64-71.
- Benzing, C. Chu, H. & Szabo, B. (2005), “Hungarian and Romanian entrepreneurs in Romania, Motivations, problems, and differences”, *Journal of Global Business*, 16, pp. 77-87.
- Bergek, A. & Norrman, C. (2008), “Incubator best practice: A framework”, *Technovation*, 28, pp. 20 -28.
- Berger, P. L. & Luckmann, T. (1966), “*The social construction of reality: A treatise in the sociology of knowledge*”, New York: Doubleday & Company.
- Birdsall, M. Jones, C., Lee, C., Somerset, C., and Takaki, S. (2013), “Business Accelerators: the evolution of a rapidly growing industry”, University of Cambridge, Judge Business School, viewed May 20, 2015, http://startup-accelerator.com/sites/default/files/cambridge_startup_%20accelerator_research.pdf

Birley, S. and Westhead, P. (1994), "A taxonomy of business start-up reasons and their impact on firm growth and size", *Journal of Business Venturing*, 9pp. 7–31.

Bygrave, W. D. (1989), "The entrepreneurship paradigm (i): A philosophical look at its research methodologies", *Entrepreneurship Theory and Practice*, Fall 1989.

Bollingtoft, A. & Ulhoi, J. P. (2005), "The networked business incubator—leveraging entrepreneurial agency?", *Journal of Business Venturing*, 20 (2), pp. 265-290.

Borrego, M., Douglas, E. P., & Amelink, C. T. (2009), "Quantitative, qualitative, and mixed research methods in engineering education", *Journal of Engineering Education*, 98(1), pp. 53-66.

Bruneel, J., Ratinho, T., Clarysse, B. and Groen, A. (2012), "The evolution of business incubators: comparing demand and supply of business incubation services across different incubator generations", *Technovation*, 32 (2), pp.110–121.

Bruton, G. D., Ahlstrom, D. and Obloj, K. (2008), "Entrepreneurship in emerging markets: where we are today and where we need to move to in the future", *Entrepreneurship Theory and Practice*, 32, pp. 1–14

Busenitz, L.W. and Barney, J.W. (1997), "Differences between entrepreneurs and managers in large organizations: biases and heuristics in strategic decision-making", *Journal of Business Venturing*, 12 (6), pp. 9–30.

Bridge, S. (2010), *Rethinking enterprise policy: can failure trigger new understanding?*, Basingstoke, UK: Palgrave Macmillan.

Cacciotti, G. and Hayton J. C. (2015), "Fear and Entrepreneurship: A Review and Research Agenda", *International Journal of Management Reviews*, 17, pp. 165–190.

Cantillon, R. (1755), *Essai Sur la Nature du Commerce en General (Essay on the Nature of Trade in General)*, translated on 1931, London: Macmillan

Carter, S. and Marlow, S. (2003), "Accounting for Change: Professionalism as a Challenge to Gender Disadvantage in Entrepreneurship", in J. Butler (ed.), *New Perspectives on Women*

Entrepreneurs, Research in Entrepreneurship and Management Series, Greenwich, CT: Information Age Publishing, pp. 181-202.

Cason, M. (1982), “*The Entrepreneur: and economic theory*”, second edition, Martin Robertson, Oxford (Edward Elgar).

Castano, M.S. and Mendez M.T., and Galindo, M. A. (2015), “The effect of social, cultural, and economic factors on entrepreneurship”, *Journal of Business Research*, 68, pp.1496-1500.

Chafkin, M. (2009), “The Startup Guru, Inc”, viewed on March 20, 2014, <http://www.inc.com/magazine/20090601/the-start-up-guru-y-combinators-paulgraham.html>

Chandra, A and Fealy, T (2009), “Business Incubation in the United States, China and Brazil: A Comparison of Role of Government Incubator Funding and Financial Services”, *International Journal of Entrepreneurship*, 13, pp. 75-93.

Chell, E. (2013), “Review of skill and the entrepreneurial process”, *International Journal of Entrepreneurial Behaviour and Research*, 19(1): 6-31.

Chemmanur, T. J. and Fulghieri P. (2014), "Entrepreneurial Finance and Innovation: An Introduction and Agenda for Future Research", *Review of Financial Studies*, Special Issue: Entrepreneurial Finance and Innovation, pp. 27 1-19.

Cho, D. and Hwy-Chang M. (1998), “A Nation’s International Competitiveness in Different Stages of Economic Development”, *Advances in Competitiveness Research*, 6(1), pp. 5-19.

Choo, S. & Wong, M. (2006), “Entrepreneurial intention: Triggers and barriers to new venture creations in Singapore”, *Singapore management review*, 28(2), pp. 47-64.

Christiansen, J. D. (2009), “Copying Y Combinator: A Framework for developing Seed Accelerator Programmes”, MBA Dissertation at Judge Business School and Jesus College, Cambridge: University of Cambridge.

Cvijanović V., Marović M. and Sruk, B. (2008), “*Guide for Financing SMEs*”, Bionza Press.

- Cohen, S. L. (2013), "What Do Accelerators Do? Insights from Incubators and Angels.", *Innovations: Technology, Governance, Globalization*, 8 (3-4), pp. 19–25.
- Cole, A. (1968), "Macro-economics: A contribution from entrepreneurial history", *Explorations in Entrepreneurial History*, 6(1), pp. 3-33.
- Collins, O. F. and D. G. Moore (1964), "*The Enterprising Man, Michigan State University*", East Lansing, MI.
- Cope, J. (2005), "Toward a Dynamic Learning Perspective of Entrepreneurship", *Entrepreneurship Theory and Practice*, 29 (4), pp. 373-397.
- Coyne, I. T. (1997), "Sampling in qualitative research. Purposeful and theoretical sampling: Merging or clear boundaries?", *Journal of Advanced Nursing*, 26, pp. 623-630.
- Creswell, J. W. (2003), "*Research design: Qualitative, quantitative, and mixed methods approaches*", (2nd ed.), Thousand Oaks, CA: Sage.
- Creswell, J. (2013), "*Qualitative inquiry and research design: choosing among five approaches*", 3rd ed. London: Sage.
- Coghlan, D. & Brannick, T. (2010), 'Doing action research in your own organization', 3rd ed. London: Sage.
- Cunningham, B.J. and Lischeron, J. (1991), "Defining entrepreneurship", *Journal of Small Business Management*, 29(1), pp.45–61.
- Dalziel, M. (2012), "A study of business incubators and business accelerators in Canada", *The Evidence Network*, viewed on June 15, 2014, http://www.theevidencenetwork.com/media/3639/ten_2012_bis_and_bas.pdf
- Darren, L. & Conrad, L. (2009), "*Entrepreneurship and Small Business management in the Hospitality Industry*", Jordan Hill, UK: Elsevier Linacre House.

Dee, D. P. and Coauthors, (2011), “The era-interim reanalysis: configuration and performance of the data assimilation system”, *Quarterly Journal of The Royal Meteorological Society*, 137 (656), pp. 553–597.

Denzin, N.K. and Lincoln, Y.S. (2005), “*Introduction: The discipline and practice of qualitative research*”, In N.K. Denzin & Y.S. Lincoln (Eds.), *The Sage handbook of qualitative research* (2nd edition), Thousand Oaks, CA: Sage

El-Namaki, M. S. S. (1988), “Encouraging entrepreneurs in developing countries”, *Long Range Planning*, 21(4), pp. 98-106.

Drucker, P.F. (1985), “*The Practice of Entrepreneurship*”, *Innovation and Entrepreneurship Practice and Principles*, Harper & Row, New York.

Dubin, R. (1978), “*Theory Building*”, 2nd edition, New York: The Free Press.

Easterby-Smith, M., Thorpe, R. & Jackson, P. (2012) “*Management research*”, 4th ed., London: Sage.

Enuoh, R. O. & Benjamin, J. I. (2009), “Entrepreneurial Competencies: The Missing Links to Successful Entrepreneurship in Nigeria”, *International Business Research*, 2 (2), pp. 62-71.

European Entrepreneurship Cooperation (2004), *Barriers to entrepreneurship and business creation*, viewed on May 20, 2015, <http://www.adrimag.com.pt/downloads/cooperacao/Barriers%20entrepreneurship%20and%20business%20creation.pdf>

Ferreira, J. J., Raposo, M. L., Rodrigues, R. G., Dinis, A., do Paço, A. (2012), “A model of entrepreneurial intention. An application of the psychological and behavioral approaches”, *Journal of Small Business and Enterprise Development*, 19(3), pp. 424-440.

Frankel, M. (1962), “The production function in allocation and growth: a synthesis”, *American Economic Review*, 52, pp. 995–1022.

Fischer, E.M., Reuber, A.R., & Dyke, L.S. (1993), “A theoretical overview and extension of research on sex, gender, and entrepreneurship”, *Journal of Business Venturing*, 8, pp. 151–168.

Gaglio, C.M., Katz, J.A., (2001), “The psychological basis of opportunity identification: Entrepreneurial alertness”, *Journal of Small Business Economics*, 16(2), pp. 95–111.

Galindo, M.A., and Memdez, M. T. (2014), “Entrepreneurship, economic growth, and innovation: Are feedback effects at work?”, *Journal of Business Research*, 97, pp. 825-829.

Gartner, W. B. (1985), “A conceptual framework for describing the phenomenon of new venture formation”, *Academy of Management Review*, 10(4), pp. 696- 706.

Gartner, W. B. (1989), "Who is an entrepreneur? Is the wrong question", *Entrepreneurship Theory and Practice*, 12(2), pp. 47-68.

GEM (2012), “Global Entrepreneurship Monitor’s- Egypt national Report”, viewed on June 14, 2015, <http://www.gemconsortium.org/report/48674>

GEM (2014), “Global Entrepreneurship Monitor’s 2014 Report”, viewed on July 14, 2015, <http://www.gemconsortium.org/report/49079>

Gilani, A. (2011), *Incubators in US and Europe: Speed and Scale in Capital Formation*, Kauffman Fellow presentation at Class 14, PowerPoint Slides, viewed on July 12, 2014, <http://www.slideshare.net/dgiluz/accelerators-in-us-and-europe>

Gould, S., & Parzen, J. (Eds.). (1990), “*Enterprising women: Local initiatives for job creation*”, OECD Publishing, Paris.

Guba, E. G. & Lincoln, Y. S. (1994), “*Competing paradigms in qualitative research*”, Handbook of Qualitative Research. Thousand Oaks, CA: Sage.

Hackett, M. & Dilts, D.M. (2004), “A Systematic Review of Business Incubation Research”, *The Journal of Technology Transfer*, 29 (1), pp. 55-82.

Hansen, M. T., Chesbrough, H. W., Nohria, N., and Sull, D. N. (2000), “Networked incubators: Hothouses of the new economy”, *Harvard Business Review*, September / October, pp. 1-13.

Hatala, J. P. (2005), "Identifying barriers to self-employment: The development and validation of the barriers to entrepreneurship success tool", *Performance Improvement Quarterly*, 18(4), pp. 50–70.

Hatch, J. A. (2002), *"Doing Qualitative Research in Education Settings"*, Albany: SUNY Press.

Hatch, J. A. (2006), "Qualitative studies in the era of scientifically-based research: Musings of a former QSE editor", *International Journal of Qualitative Studies in Education*, 19(4), pp. 403-407.

Hayton, J (2015), *"Leadership and Management Skills in SMEs"*, Warwick Business School: Department of Business, Industry and Skills.

Hisrich, R.D, and Peters, M.P., (2002), *"Entrepreneurship"*, 5th ed., McGraw Hill: New York.

Ho, Y. & Wong, P. (2007), "Financing, regulatory costs and entrepreneurial propensity", *Small Business Economics*, 28(2-3), 187-204.

Huggins, R., and Thompson, P. (2015), "Entrepreneurship, innovation and regional growth: a network theory", *Small Business Economics*, 45, pp. 103-128.

Huberman, A. M., and Miles, M. B. (1994), *"Qualitative data analysis: An expanded sourcebook"*, 2nd Edition, Thousand Oaks: Sage.

Isabelle, D. A. (2013), "Key Factors Affecting a Technology Entrepreneur's Choice of Incubator or Accelerator." *Technology Innovation Management Review*, no. February 2013: Platforms, Communities, and Business Ecosystems: 16–22.

Isenberg, D. (2010), "The Big Idea: How to Start an Entrepreneurial Revolution", *Harvard Business Review*, Vol.88 (6), pp. 41-50.

Jones, O., Crompton, H., (2009), "Enterprise logic and small firms: a model of authentic entrepreneurial leadership", *Journal of Strategy and Management*, 2(4), pp. 329-351.

Jones, O., Macpherson, A., and Jayawarna, D., (2014), *"Resourcing the startup business: creating dynamic entrepreneurial learning capabilities"*, Routledge, New York.

- Kabui, E.W. & Maalu, J.K. (2012), "Perception of Entrepreneurship as a Career by Students from Selected Public Secondary Schools in Nairobi", *DBA Africa Management Review*, 2(3), pp. 101-120.
- Kanchana, R. S., Divya, J. V., and Beegom, A. A. (2013), "Challenges faced by new entrepreneurs", *International Journal of Current Research and Academic Review*, 1(3), pp. 71-78.
- Kilby, P., (1971), "*Entrepreneurship and Economic Development*", New York: Free Press
- Kirzner, I. (1973), "*Competition and Entrepreneurship*", Chicago, IL, US: University of Chicago Press
- Knight, F. (1921), "*Risk, uncertainty and profit*", Boston, MA: Houghton Mifflin.
- Kouriloff, M. (2000), "Exploring perceptions of a priori barriers to entrepreneurship: A multidisciplinary approach", *Entrepreneurship Theory and Practice*, 25(2), pp. 59-79.
- Krueger, N. F., Reilly, M., and Carsrud, A. (2000), "Competing models of entrepreneurial intentions", *Journal of Business Venturing*, 15 (5/6), pp. 411–432.
- Kuzel, A. J. & Like, R. C. (1991), "*Standards of trustworthiness for qualitative studies in primary care*", Primary Care Research. Newbury Park, CA: Sage Publications, pp. 138–158.
- Lahti, T. (2011), "Categorization of angel investments: an explorative analysis of risk reduction strategies in Finland", *Venture Capital*, 13(1), pp. 49-74.
- Landstrom, H., Harirchl, G., and Astrom, F. (2012), "Entrepreneurship: Exploring the knowledge base", *Research Policy*, 41, pp. 1154-1181.
- Langlois, R. N., and Cosgel, M. M. (1993), "Frank Knight on risk, uncertainty, and the firm: A new interpretation", *Economic inquiry*, 31, pp. 456-465.
- LeCompte, M. D., and Schensul, J. J. (1999), "*Analyzing and interpreting ethnographic data*", Book five of the ethnographer's toolkit, Walnut Creek, CA: Altamira Press, a division of Sage Publications.

Lee, J.S.K. (1992), "Quantitative versus qualitative research methods: two approaches to organisation studies", *Asia Pacific Journal of Management*, 9(1), pp. 87-94.

Lee, R., and Jones, O., (2015), "Entrepreneurial social capital research: resolving the structure and agency dualism", *International Journal of Entrepreneurial Behavior & Research*, 21 (3), pp. 338 – 363.

Levy, S. (2011), "Y Combinator is bootcamp for startups", *Wired magazine*, May 17th, viewed on July 20, 2015, http://www.wired.com/magazine/2011/05/ff_ycombinator/all/1

Lewis, D. A., Harper-Anderson, A., Molnar, L. A. (2011), "*Incubating Success. Incubation Best Practices That Lead to Successful New Ventures*", Published in the U.S. by the U.S. Department of Commerce Economic Development Administration, viewed on June 24, 2014, <http://www.nbia.org/docs/default-source/research/download-report.pdf?sfvrsn=0>

Littlewood, M. (2011), "Do we need Startup factories?", Notes on NESTA's round table on European acceleration programmes, The Business Leaders Network, viewed on December 18, 2015, <http://thebln.com/2011/06/do-we-need-startup-factories-notes-on-nestas-round-table-on-european-acceleration-programmes/>

Lucky, E, and Olusegun, A, (2012), "Is Small and Medium Enterprises (SMEs) an Entrepreneurship?", *International Journal of Academic Research in Business and Social Sciences*, 2 (1), pp. 487-496.

Lucas, R.E. (1988), "On the mechanics of economic development", *Journal of Monetary Economics*, 22, pp. 3-39.

Lupsa-Tataru, D. A. (2014), "Entrepreneurship and creativity: a comparative study", *Economic Sciences*, 7 (56), N 2, pp. 139 – 144.

Madison D. S. (2005), "*Critical Ethnography: Methods, Ethics and Performance*", Thousand Oaks, CA: Sage

Marshall, C., & Rossman, G. (1999), "*Designing qualitative research*", (3rd ed.), Thousand Oaks, CA: Sage

- Marshall, C., Cardon, P., Poddar, A., and Fontenot, R. (2013), “Does sample matter size matter in qualitative research? A review of qualitative interviews in IS research”, *Journal of Computer Information system*, Fall 2013, pp. 11-22.
- Mason, M, and Brown, R (2014), “Entrepreneurial Ecosystem and Growth Oriented Entrepreneurship”, OECD, Paris.
- McClelland, D. C. (1961), “*The Achieving Society*”, Princeton, NJ: Van Nostrand.
- McMullen, J. S., Plummer, L. A., and Acs, Z. J. (2007), “What is an Entrepreneurial Opportunity”, *Small Business Economics*, 28, pp. 273-283.
- Mitchelmore, S. and Rowley, J. (2013), “Entrepreneurial competencies of women entrepreneurs pursuing business growth”, *Journal of Small Business and Enterprise Development*, 20 (1): 125 – 142.
- Miller, P., Bound, K. (2011), “*The Startup Factories: The rise of accelerator programmes to support new technology ventures*”, Discussion Paper. National Endowment for Science Technology and the Arts (NESTA), London: UK, Viewed January 12, 2015, http://www.nesta.org.uk/sites/default/files/the_startup_factories_0.pdf
- Minniti, M. (1999), “Entrepreneurial Activity and Economic Growth”, *Global Business and Economic Review*, 11(1), pp. 31-42.
- Misra, S., and Kumar, E. S. (2000), “Resourcefulness: A Proximal Conceptualisation of Entrepreneurial Behaviour”, *Journal of Entrepreneurship*, 9, pp. 135-154.
- Moore, F. (1986), “Understanding Entrepreneurial Behaviour: A Definition and Model”, *Academy of Management Proceedings*, 46, pp. 66-70.
- Moraru, C. and Rusei, A. (2012), “Business Incubators – Favorable Environment for Small and Medium Enterprises Development”, *Theoretical and Applied Economics*, 5(570), pp. 169-176.
- Mot, P. (2010), “An entrepreneurial opportunity recognition model: Dubin’s theory-building framework”, *Waseda business and economic studies*, 46, pp. 103-129.

Moustakas, C. (1994), *“Phenomenological Research Methods”*, thousand Oaks, CA: Sage.

Mullane, J. V., Peters, M. H. and Bullington, K. E. (2001), “Entrepreneurial Firms as Suppliers in Business-to-Business e-Commerce”, *Management Decision*, 39(5), pp388-393.

Nelson, R. R., and Winter, S. G. (1968), *“An evolutionary theory of economic growth”*, Cambridge, MA: Harvard University Press

Oyson, M., and Whittaker, D.H, (2010), “An opportunity-based approach to international entrepreneurship: Pursuing opportunities internationally through prospection”, *Proceedings of The Eighteenth Annual High Technology Small Firms Conference*, The Netherlands, viewed 15 December 2014, <https://www.utwente.nl/bms/nikos/research/htsf/2010/htsfpapers/oyson.pdf>

OECD (2009), *“Top Barriers and Drivers to SME Internationalisation”*, Working Party on SMEs and Entrepreneurship, OECD Publishing, Paris.

OECD (2015), *“Financing SMEs and Entrepreneurs 2015: An OECD Scoreboard”*, OECD Publishing, Paris.

OECD (2010), *“High-growth enterprises: What governments can do to make a difference”*, OECD studies on SMEs and entrepreneurship, OECD Publishing, Paris.

OECD (2012), *“Financing SMEs and Entrepreneurs 2012: An OECD Scoreboard”*, OECD Publishing, Paris.

Onwuegbuzie, A. J., and Leech, N. L. (2004), “Enhancing the interpretation of “significant” findings: The role of mixed methods research”, *The Qualitative Report*, 9(4), pp. 770-792.

Oppong, S. H. (2013), “The problem of sampling in qualitative research”, *Asian Journal of Management Sciences and Education*, 2 (2), pp. 202-210.

Ozsoy, O., D. Okasoy & K. Kozan (2001), *“The Characteristics of Turkish Entrepreneurs and their Enterprises”*, Long Island, NY: College of Business, Alfred University.

Phan, P. H., Siegel, D. S. and Wright, M. (2005), “Science parks and incubators: observations, synthesis and future research”, *Journal of Business Venturing*, 20(2), pp. 165-182

Pinchot, G. (1985), *"Intrapreneuring: Why You Don't Have to Leave the Corporation to Become an Entrepreneur"*, Harper & Row, New York.

Porter M. E. (1990), *"The Competitive Advantage of Nations"*, Macmillan, London.

Ramadani, V., (2012), "The Importance Of Angel Investors In Financing The Growth Of Small And Medium Sized Enterprises", *International Journal of Academic Research in Business and Social Sciences*, 2 (7), pp. 306 - 322.

Reed, J., Procter, S., & Murray, S. (1996), "A sampling strategy for qualitative research", *Nurse Researcher*, 3(4), pp. 52-68.

Robichaud, Y., E. McGraw, and A. Roger (2001), "Towards the development of a Measuring Instrument for Entrepreneurial Motivations", *Journal of Developmental Motivation*, 6 (1), pp. 189-202.

Robinson, P.B., Stimpson, D.V., Huefner, J.C., & Hunt, H.K. (1991), "An attitude approach to the prediction of entrepreneurship", *Entrepreneurship Theory & Practice*, 15(4), pp. 13 – 30.

Romer, P.M., (1986), "Increasing returns and long-run growth", *Journal of Political Economy*, 94, pp. 1002-1037.

Rostow, W.W (1959), "The stages of economic growth", *The Economic History Review*, New Series, 12, pp. 1-16.

Rumlet, R. P. (1987), "Theory, strategy, and entrepreneurship", in David Teece (ed.) *The Competitive Challenge: Strategies for Industrial Innovation and Renewal*, Cambridge, Mass.: Ballinger.

Sandhu, M. S., Sidique, S. F., & Riaz, S. (2011), "Entrepreneurship barriers and entrepreneurial inclination among Malaysian postgraduate students", *International Journal of Entrepreneurial Behaviour & Research*, 17, pp. 428-449.

Say, J.B. (1803), *"Treatise on Political Economy: On the Production, Distribution and Consumption of Wealth"*, (translation 1964) New York: Kelley

Sarantakos, S. (2005), "*Social Research*", 2nd edition, Palgrave, Macmillan, Hampshire.

Schumpeter, J.A. (1934), "*The Theory of Economic Development*", Cambridge, MA: Harvard University Press.

Schumpeter, J.A. (1942), "*Capitalism, Socialism and Democracy*", New York: Harper.

Scott, T. & Jensen, K. (2008), "The coupling between entrepreneurship and public policy: tight in developed countries but loose in developing countries", *Estudios de Economia*, 35 (2), 195-214.

Secker, J., Wimbush, E., Watson, J. & Milburn, K. (1995), "Qualitative methods in health promotion research: Some criteria for quality", *Health Education Journal*, 54, pp. 74–87.

Shah, S. K., & Corley, K. G. (2006), "Building better theory by bridging the quantitative qualitative divide", *Journal of Management Studies*, 43(8), pp. 1821-1835.

Shane, S.A. (2003), "*A General Theory of Entrepreneurship: The Individual-Opportunity Nexus*", Cheltenham: Edward Elgar.

Shane, S. (2009), "Why encouraging more people to become entrepreneurs is bad public policy", *Small Business Economics*, 33, pp. 141-149.

Shane, S. and Venkatraman, S. (2000), "The promise of entrepreneurship as a field of research", *Academy of Management Review*, 26 (1)

Shapero, A; 1975, "The displaced, uncomfortable entrepreneur", *Psychology Today*, Vol. 9, Nov, pp. 83-88.

Shaver, K.G. and Scott, L.R. (1991), "Person, process, choice: The psychology of new venture creation", *Entrepreneurship: Theory and Practice*, 1 (2), pp. 23-46.

Smith, J. K. (1983), "Quantitative versus qualitative research: an attempt to clarify the issue", *Educational researcher*, 12(3), pp. 6-13.

Solow, R. M. (1956), "A Contribution to the Theory of Economic Growth", *the Quarterly Journal of Economics*, 70(1), pp. 65-94.

Solow, R. M. (1957), "Technical Change and the Aggregate Production Function", *Review of Economics and Statistics*, 39, pp. 312-20.

Solow, R. M. (1970), "*Growth Theory: An Exposition*", New York: Oxford University Press.

Stefanovic, I., Ljubodrag, R. and Sloboda, P. (2011), "Entrepreneurs' Motivational Factors: Empirical Evidence from Serbia", *Serbian Journal of Management*, 6 (1), pp. 73- 83.

Stevenson, H. H. (1983), "A perspective on entrepreneurship", *Harvard Business School Working Paper*, 9, pp. 384- 131.

Stevenson, H.H., Roberts, M.J., Grousbeck, H.I. (1989), "*Business ventures and the entrepreneur*", Homewood, IL, Richard D Irwin Publishing

Swan, T.W. (1956), "Economic growth and capital accumulation", *Economic Record*, 32, pp. 334-361.

Swierczek, F. W. & Ha, T. T. (2003), "Entrepreneurial orientation, uncertainty avoidance and firm performance: An analysis of Thai and Vietnamese SMEs", *International Journal of Entrepreneurship and Innovation*, 4(1), pp. 46-58.

Tamasy, C. (2007), "Rethinking Technology-Oriented Business Incubators: Developing a Robust Policy Instrument for Entrepreneurship, Innovation, and Regional Development?", *Growth and Change*, 38 (3), pp. 460–73.

Thurik, A. R., Wennekers, A.R.M., and Uhlaner, L. M. (2002), "Entrepreneurship and its conditions: a macro perspective", *International Journal of Entrepreneurship Education*, 1, pp. 25-64.

Timmons, J. A. (1978), "Characteristics and role demand of Entrepreneurship", *American Journal of Small Business*, 3 (1), pp. 5-17.

Tozzi, J. (2011), "Startup Bootcamps Seek Army of Entrepreneurs", *Bloomberg Businessweek*, Small biz, March 2011, viewed December 2014, http://www.businessweek.com/smallbiz/content/mar2011/sb20110329_239744.htm.

Tuli, F. (2010), "The basis of distinction between Qualitative and Quantitative Research in Social Science: Reflection on Ontological, Epistemological and Methodological Perspectives", *Ethiopian Journal of Education and Science*, 6 (1), pp. 97-108.

Ulin, P., Robinson, E. T., & Tolley, E. E. (2005), "*Qualitative methods in public health: A field guide for applied research*", San Francisco: Jossey-Bass.

Valliere, D., and Peterson, R. (2009), "Entrepreneurship and economic growth: Evidence from emerging and developed countries", *Entrepreneurship & Regional Development*, 21 (5), pp. 459 - 480.

Van Manen, M. (1990), "*Researching Lived Experience*", Canada: the Althouse Press.

Venkataraman, S. (2003), Foreword. In S. Shane, "*A General Theory of Entrepreneurship. The Individual-Opportunity Nexus*", Northampton, MA: Edward Elgar.

Vesper, K. H., (1990), "*New Venture Strategies*", Prentice Hall, Englewood Cliffs, N.J.

Wennekers, S., van Stel, A., Thurik, R. and Reynolds, P. (2005), "Nascent entrepreneurship and the level of economic development", *Small Business Economics*, 24 (3), pp. 293-309.

Wolcott, H. F. (1994), "*Transforming qualitative data: Description, analysis, and interpretation*", Thousand Oaks, CA: Sage.

Youssef, T., (2009), "Business Stories Book", Entrepreneurs Business Forum Egypt, available at: <https://www.facebook.com/groups/235911869781435/files/>